PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SEARS of Florida: A bill (H. R. 12282) providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Orlando, Fla.; to the Committee on the Judiciary.

By Mr. GLATFELTER: A bill (H. R. 12283) granting the consent of Congress to the county commissioners of the counties of York and Lancaster, in the State of Pennsylvania, and their successors, to construct a bridge across the Susquehanna River between the borough of Wrightsville, in York County, Pa., and the borough of Columbia, in Lancaster County, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHAFER: A bill (H. R. 12284) to amend the organic act of Porto Rico, approved March 2, 1917; to the Committee on Insular Affairs.

By Mr. CURRY: A bill (H. R. 12285) to create a department of air, defining the powers and duties of the secretary thereof, providing for the organization, disposition, and administration of a United States air force, and providing for the development of civil and commercial aviation, the regulation of air navigation, and for other purposes; to the Committee on Military Affairs.

By Mr. MAGEE of New York: A bill (H. R. 12286) to provide for the appointment if one additional district judge for the northern and western districts of New York; to the Committee on the Judiciary.

By Mr. RANKIN: Resolution (H. Res. 439) directing the Federal Trade Commission to make an inquiry into cottonseed products, and for other purposes; to the Committee on Agriculture.

By the SPEAKER (by request): Memorial of the Legislature of the State of Wisconsin petitioning Congress to protest against the surrender of Muscle Shoals to private interests; to the Committee on Military Affairs.

By Mr. FLEETWOOD: Legislature of the State of Vermont passed a joint resolution approved by the governor urging Congress to participate in the World Court on the Harding-Hughes terms, as approved by President Coolidge; to the Committee on Foreign Affairs.

By Mr. BROWNE of Wisconsin: Memorial of the Legislature of the State of Wisconsin, petitioning Congress against the surrender of Muscle Shoals to private interests; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of Ohio: A bill (H. R. 12287) to reinstate in the naval service John C. F. Yarnell; to the Committee on Naval Affairs.

By Mr. LAZARO: A bill (H. R. 12288) granting a pension to Addie I. Parsons; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 12289) granting a pension to William Higginbottom; to the Committee on Invalid Pensions.

By Mr. SCHAFER: A bill (H. R. 12290) for the relief of John W. Lewis; to the Committee on Military Affairs.

Also, a bill (H. R. 12291) for the relief of Maj. F. Ellis Reed; to the Committee on Claims.

By Mr. SNELL: A bill (H. R. 12292) granting insurance to Lydia C. Spry; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 12293) granting an increase of pension to Eliza S. Stacks; to the Committee on Invalid Pensions.

Mr. WILLIAMS of Michigan: A bill (H. R. 12294) granting an increase of pension to Alice Root; to the Committee on Invalid Pensions.

By Mr. WILSON of Indiana: A bill (H. R. 12295) granting an increase of pension to Sarah A. Hagan; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3775. By the SPEAKER (by request): Petition of board of supervisors, San Francisco County, Calif., requesting Congress to appoint a committee to be present at the celebration of California's diamond jubilee; to the Committee on Rules.

3776. By Mr. ARNOLD: Petition from sundry citizens of Noble, Ind., protesting against the passage of the compulsory Sunday observance bill; to the Committee on the District of Columbia.

3777. By Mr. KNUTSON: Petition of sundry citizens of Aitkin County, Minn., opposing the passage of the Sunday observance law and any other religious legislation which may be pending; to the Committee on the District of Columbia.

3778. By Mr. KVALE: Petition of G. L. Budd and 62 other citizens of Alexandria, Minn., requesting the House of Representatives to defeat proposed legislation aiming at compulsory observance of the Sabbath; to the Committee on the District of Columbia.

3779. By Mr. LEA of California: Petition of 356 residents of Tehama County, Calif., protesting against passage of the so-called Sunday observance bill (S. 3218); to the Committee on the District of Columbia.

3780. By Mr. McREYNOLDS: Petition of the citizens of the State of Tennessee, protesting against the passage of Senate bill 3218, compulsory Sunday observance bill; to the Committee on the District of Columbia.

3781. By Mr. NEWTON of Minnesota: Petition signed by sundry citizens of Minneapolis, Minn., in protest against the compulsory Sunday observance bill for the District of Columbia; also all other religious legislation; to the Committee on the District of Columbia.

3782. By Mr. PHILLIPS: Affidavits to accompany House bill 12272, granting a pension to Emma Augusta Schramm; to the Committee on Invalid Pensions.

3783. By Mr. SINCLAIR: Petition of 44 residents of Billings County, N. Dak., protesting against Senate bill 3218 and all other religious legislation; to the Committee on the District of Columbia.

3784. By Mr. SNYDER: Petition of citizens of Vienna and Blossvale, N. Y., protesting against the passage of Senate bill 3218 or other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

3785. By Mr. WILLIAMS of Michigan: Petition of C. S. Owen and 17 other residents of Battle Creek, Mich., protesting against the passage of Senate bill 3218, the Sunday observance bill, so called; to the Committee on the District of Columbia.

3786. Also, petition of Mrs. Mary A. Fisher and 7 other residents of Battle Creek, Mich., protesting against the passage of Senate bill 3218, the Sunday observance bill, so called; to the Committee on the District of Columbia.

3787. By Mr. WYANT: Protest of executive committee of the Port of Philadelphia Ocean Traffic Bureau, against Butler bill (S. 3927); to the Committee on Interstate and Foreign Commerce.

SENATE

SATURDAY, *February 14, 1925*

(Legislative day of Tuesday, February 3, 1925)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The PRESIDING OFFICER (Mr. MOSES in the chair). At the time of taking a recess last night no quorum having been developed, the Secretary will again call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fernald	Ladd	Robinson
Ball	Fess	Lenroot	Sheppard
Bayard	Fletcher	McKellar	Shields
Bingham	Frazier	McKinley	Shipstead
Borah	George	McLean	Shortridge
Brookhart	Glass	McNary	Simmons
Broussard	Gooding	Mayfield	Smith
Bruce	Greene	Metcalf	Smoot
Bursum	Hale	Moses	Spencer
Butler	Harreld	Norbeck	Stanfield
Cameron	Harris	Norris	Stanley
Capper	Harrison	Oddie	Sterling
Caraway	Heflin	Overman	Swanson
Copeland	Howell	Pepper	Trammell
Couzens	Johnson, Calif.	Phipps	Underwood
Curtis	Johnson, Minn.	Pittman	Walsh, Mass.
Dale	Jones, Wash.	Ralston	Walsh, Mont.
Dial	Kendrick	Ransdell	Warren
Dill	Keyes	Reed, Mo.	Watson
Edge	King	Reed, Pa.	Willis

Mr. HARRISON. I wish to announce that the senior Senator from Rhode Island [Mr. GERRY] is absent because of illness. I ask that this announcement may stand for the day.

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the following-entitled bills, in which it requested the concurrence of the Senate:

H. R. 12101. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1926, and for other purposes; and

H. R. 12175. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The message returned to the Senate, in compliance with its request, the message of the Senate, together with accompanying papers, agreeing to the conference report on the bill (H. R. 10020) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1926, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the presiding officer (Mr. MOSES) as Acting President pro tempore:

S. 78. An act for the relief of the owners of the barge *Anode;*

S. 82. An act for the relief of the owners of the steamship *Comanche;* and

S. 84. An act for the relief of the owners of the steamship *Ceylon Maru.*

STRENGTH OF THE NAVY

Mr. STERLING. Mr. President, I have here a copy of the February issue of the Scientific American. There is an article in it entitled "Our point of view," by J. Bernard Walker, the editor emeritus of this valuable periodical. The article relates to our Navy and makes some very interesting comparisons of the strength of our Navy with that of the British Navy. I think it is quite worth while that the article should be printed in the RECORD. I ask that that may be done.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The article is as follows:

OUR POINT OF VIEW

MISLEADING THE AMERICAN PUBLIC AS TO THE NAVY

The present agitation over the supposed weakness of the American battleship fleet, as determined by the Washington treaty, is nothing more nor less than a discreditable attempt to fool the American public. Apart from its serious effect in stirring up that very spirit of international suspicion and strife which the late President Harding attempted to allay by the treaty, this agitation takes on a very serious aspect because of the cumulative evidence that its source is to be found in the American Navy—not in the whole American Navy, thank God, but in a, let us hope, very small minority.

Ever since the treaty was completed the American public has been told, either directly or by implication, that the United States got a "raw deal" at that conference, and that not only was the 5–5–3 ratio never established, but that we came out of the conference with our fleet considerably less in power and efficiency than the British fleet and not so very much stronger than the Japanese. Now, the American fleet is the property of the American people, paid for by their money; and the personnel of the fleet has been educated and its salary is paid out of the pockets of the American people. Hence, when the Government, as in the case of the Washington treaty, has inaugurated a definite policy, it is the duty of the officers of the Navy to endeavor to follow that policy through to the very letter.

OUR FLEET IS NOT INFERIOR

When, as in the present case, a considerable body of these officers endeavor to fool the public by telling them that they possess a fleet inferior to that of Great Britain and but little better than that of Japan, they are not only violating the spirit of the great school at Annapolis at which they were trained, and the traditions of the Navy in which they serve, but they are doing a most injurious disservice to the American Nation.

The writer, after 30 years of close study of our Navy, during which he has endeavored so far as his pen might serve, to support the Navy in its effort to get adequate appropriations, and has lived in the closest touch with its personnel, claims to have acquired a rather acute perception of the difference between a naval article written in the Navy and one written by an outside layman; and he is free to confess that, during the years which have intervened since the conclusion of the Washington treaty, he has been greatly disturbed by his conviction that the propaganda to discredit that treaty has been written very largely in the Navy itself, and when it has not been so written, has found its source of inspiration therein.

AMERICA GOT NO "RAW DEAL"

Now, by way of counteracting this misinformation, we beg to state that it is our opinion, and always has been, that so far from America getting a "raw deal," we came out from that conference with the strongest battleship fleet of the three powers concerned, with a decided superiority on all but one point of comparison over that of Great Britain. This conviction is based on the following facts:

First, in the vital matter of age, the average age of the first 10 ships of the United States Navy is five years; whereas that of the British first 10 ships is eight and two-tenths years; and it is well understood in naval circles that there is a steady depreciation of a ship as the years pass by.

Second, the average displacement of the first 10 ships of our Navy is 32,120 tons; whereas the average displacement of the first 10 ships of the British Navy is 27,762 tons. There is no truer measure of the value of two ships than displacement. One designer, in distributing a ship's displacement, will favor heavy batteries, another heavy protection, another elaborate underwater subdivision, and another high speed and so forth; but, in the total result, a ton of displacement is of about equal value among first-class navies as built by the world's best designers. So here, also, we find the United States holding a big lead of between 4,000 and 5,000 tons per ship.

WE HAVE FIVE, THE BRITISH HAVE NO POST-JUTLAND SHIPS

Thirdly, the battle of Jutland taught many lessons, and the British gave to our designers everything they learned in their four and a half years of fighting. We have embodied this and our own information in our first five ships, and three of them (of the *Maryland* class) have five separate hulls as a protection against disruption by the torpedo. The recent tests of the *Washington,* which failed to be sunk by below water detonations of high explosives, proves that these first five ships are practically unsinkable; they are true post-Jutland ships. On the other hand, not a single ship of the British embodies the full lessons of the Jutland fight; they were built before that fight. It is probable that few, if any, of them have better underwater protection than the *Ostfriesland* which was sunk by a single large bomb dropped from an airplane.

Fourthly, in the matter of guns, we are speaking now of the two fleets as they actually exist to-day, and do not include the *Nelson* and *Rodney* now building; our first 10 ships carry twenty-four 16-inch guns and eighty-four 14-inch guns, making a total of 108. The first 10 British battleships carry only eighty 15-inch guns, a weapon greatly inferior in range and power to the 16-inch. Moreover, in the whole 18 ships of the United States Fleet of battleships there are 192 main battery guns. In the British fleet of battleships, as it stands to-day, there are but 160 heavy guns with 28 on the 4 battle cruisers. On the completion of the *Nelson* and *Rodney* the British will have eighteen 16-inch guns to our 24, and since they must scrap 4 of their older, 10-gun ships, the total in heavy guns will be United States, 192; and British, 166.

Thus far in our consideration of the first 10 ships of each fleet we have established a decided superiority for the American Fleet. As to the other 8 ships, there has been more misleading—we had almost said silly—propaganda sent broadcast through the daily press than in respect of any part of this disreputable controversy. We have heard a great deal about the disparity in range, and we have been told that the superiority of two or three thousand yards of some of the older British ships over our older ships is such that we should be hopelessly beaten in an engagement. The smallest range of the older of our ships is about twenty to twenty-one thousand yards, and we most emphatically assert that the experience of the fighting of the Great War, and even the theoretical developments of target practice since the war, fail to give any reason to expect that ships of the future will fight at anything like 20,000 yards range.

As we have noted recently in these columns, Admiral Beatty had an advantage of some three or four thousand yards over the Germans. Nevertheless, at the Dogger Bank fight he did not fire a shot until he was within 18,000 yards, and in the battle of Jutland, where he had the same advantage, he did not open fire until the same range of 18,000 yards was established; moreover, most of the fighting of the battle of Jutland was done at ranges of from twelve to fourteen thousand yards. It is all very well to go out in calm weather under the clear blue skies of the Caribbean or the western Pacific coast, and open up on a target at twenty to thirty thousand yards, correcting the range by one's own airplanes, flying unmolested above the target ship, but it will be quite another thing to attempt the same thing in the precarious weather which exists on all the seven seas and when our spotting planes are tied up in a fierce dog fight with the planes of the enemy. Not one day in fifty will afford weather for that kind of fighting. As at Jutland, the contending fleets will draw in until the "spotters" on the mast tops can, so to speak, see the whites of each other's eyes as they watch and record the fall of the salvos.

OUR OLDER SHIPS NOT OBSOLETE

But no attempt to fool the American public as to the inefficiency of our fleet equals the statement that several of our older ships are obsolete because on a certain occasion they were able to make only 10 knots, due to faulty boilers. If this was so, it was a great reflection upon the engineering staff of the home navy yards and of the ships concerned. Boilers 8 or 10 years old should be in practically as good condition as when they were new. If not, how came it about

that the old *Mauretania*, carrying her original Scotch boilers 17 years old, was recently able to go out and break a record of 15 years' standing by steaming over the Atlantic at 27.25 knots? If our boilers are deteriorating for want of funds for repairs, let us lay off two or three ships instead of attempting to keep the full fleet in commission, and so have available out of our $300,000,000 or more annual appropriations sufficient funds to keep this vital element of the ships in first-class condition.

AGITATION ENDANGERS WORLD PEACE

Finally, we repeat, and we defy successful contradiction, that the American battleship fleet to-day is more powerful and, if properly maintained, is more efficient than any other fleet afloat. And we take this opportunity of expressing the hope that the Government will see to it that this misleading, most dangerous, and unprofessional agitation is entirely suppressed. If investigations are to be made, we suggest that the Government might find it to its advantage to look into the activities of the office of naval intelligence during the years which have intervened since the gathering which formulated and put through the Washington treaty.

INCREASE OF JUDICIAL SALARIES (S. DOC. NO. 202)

Mr. OVERMAN. Mr. President, I send to the desk a short report of a special committee on the increase of judicial salaries, presented at the meeting of the American Bar Association at Philadelphia in July, 1924. It has reference to a subject now pending before the Senate. I ask that it may be printed as a public document.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PETITIONS AND MEMORIALS

The PRESIDING OFFICER laid before the Senate the following joint memorial of the legislature of Oregon, which was referred to the Committee on Irrigation and Reclamation:

STATE OF OREGON,
THIRTY-THIRD LEGISLATIVE ASSEMBLY, REGULAR SESSION,
HALL OF REPRESENTATIVES.

House joint memorial 8

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Your memorialist, the Legislature of the State of Oregon, respectfully represents that:

Whereas there is now pending before the Congress of the United States of America Senate bill No. 3779, introduced in the Senate of the United States December 30, 1924, by Senator KENDRICK, to provide for aided and directed settlement on Government land in irrigation projects; and

Whereas the enactment of said bill into law would make possible the reclaiming and profitable cultivation of vast areas of land in the State of Oregon that are now almost valueless, and materially enhance the wealth of the United States of America and of the State of Oregon; and

Whereas there is a steadily growing demand for, and an urgent need of small irrigated farms in the State of Oregon: Now, therefore, be it

Resolved by the house of representatives (the senate jointly concurring), That we do most earnestly petition and memorialize the Senate and the House of Representatives of the United States of America in the name of the State of Oregon to enact at once said Senate bill No. 3779 into law; and be it further

Resolved, That the secretary of state of the State of Oregon be and is hereby instructed to forward a copy of this resolution to each Member of Congress of the United States of America.

Adopted by the house, January 30, 1925.

DENTON G. BURDICK,
Speaker of the House.

Adopted by the senate, January 30, 1925.

GUS. C. MOSER,
President of the Senate.

(Indorsed: House joint memorial No. 8. Introduced by Mr. Chas. J. Shelton. W. F. Drager, chief clerk. Filed: February 3, 1925, Sam A. Kozer, secretary of state.)

UNITED STATES OF AMERICA,
STATE OF OREGON,
OFFICE OF THE SECRETARY OF STATE.

I, Sam A. Kozer, secretary of state of the State of Oregon, and custodian of the seal of said State, do hereby certify:

That I have carefully compared the annexed copy of house joint memorial No. 8 with the original thereof adopted by the Senate and House of Representatives of the Thirty-third Legislative Assembly of the State of Oregon and filed in the office of the secretary of state of the State of Oregon February 3, 1925, and that the same is a full, true, and complete transcript therefrom and of the whole thereof, together with all indorsements thereon.

In testimony whereof, I have hereunto set my hand and affixed hereto the seal of the State of Oregon. Done at the capitol at Salem, Oreg., this 4th day of February, A. D. 1925.

[SEAL.]

SAM A. KOZER,
Secretary of State.

The PRESIDING OFFICER also laid before the Senate the following joint resolution of the Legislature of Wisconsin, which was ordered to lie on the table:

Joint resolution 4, memorializing Congress to protest against the surrender of Muscle Shoals to private interests

Whereas the public welfare demands that the natural resources of the Nation be owned, developed, and operated for the benefit of the Nation collectively, so that the people shall receive the services and products thereof at cost, as against turning over those resources to private corporations to operate them for profit and thereby exploit the people of our country through the ever-increasing rates and prices and through speculation and high finance, as has resulted from the private ownership of railroads and other quasi-public service enterprises:

Whereas there is at present pending in Congress the project known as Muscle Shoals in Alabama, a giant power-producing dam, with almost unlimited undeveloped power for the production of hydro-electric energy for fertilizer, electricity, etc., for cities and farmers alike, on which $150,000,000 has already been spent, and which, if kept intact by the Government and developed for service, will help to reduce the price of current to the people of the United States: Therefore be it

Resolved by the assembly (the senate concurring), To memorialize Congress to protest against turning over the project known as the Muscle Shoals or any other power-producing resources, developed or undeveloped, to private enterprise, joining with other forces of social progress in requesting that Congress take immediate steps to develop the Muscle Shoals power project and to operate it for the benefit of the people of the United States by distributing its products at cost.

Resolved, That a copy of this resolution, properly attested, be sent to the President of the United States and to the Presiding Officers of both Houses of Congress and to each Wisconsin Member thereof.

HENRY A. HUBER,
President of the Senate.
F. W. SCHOENFEHL,
Chief Clerk of the Senate.
H. W. SACHTJEN,
Speaker of the Assembly.
C. E. SHAFFER,
Chief Clerk of the Assembly.

The PRESIDING OFFICER also laid before the Senate resolutions adopted by the Citizens' Association of Takoma, D. C., favoring the prompt passage of Senate bill 3765, to authorize a five year building program for the public-school system of the District of Columbia which shall provide school buildings adequate in size and facilities to make possible an efficient system of public education in the District of Columbia, etc., which were referred to the Committee on the District of Columbia.

Mr. CAPPER presented a resolution adopted at a meeting of citizens of Wakefield and vicinity, in the State of Kansas, representing five organizations and attended by about 150 persons, favoring the participation of the United States in the World Court under the terms of the so-called Harding-Hughes plan, which was referred to the Committee on Foreign Relations.

Mr. REED of Pennsylvania presented a memorial, numerously signed by sundry citizens of Erie, Pa., remonstrating against the passage of the so-called compulsory Sunday observance bill for the District, which was referred to the Committee on the District of Columbia.

Mr. BINGHAM presented a resolution adopted by the Business and Professional Women's Club of Bridgeport, Conn., favoring the consideration and discussion at the present session of Congress of a report of the Foreign Relations Committee on the matter of the entrance of the United States into the World Court, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Waterbury Woman's Club, of Waterbury, Conn., praying that a resolution providing for the adherence of the United States into the World Court be reported by the Foreign Relations Committee and be debated and considered in the Senate, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the board of directors of the Waterbury (Conn.) Chamber of Commerce, favoring the participation of the United States in the World Court under the terms of the so-called Coolidge-Hughes plan, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Connecticut State Bar Association, expressing its confidence in the jury system as at present administered in the United States courts and remonstrating against the passage of the so-called Caraway bill, being the bill (S. 624) to amend the practice and procedure in Federal courts, and for other purposes, which was referred to the Committee on the Judiciary.

He also presented petitions of members of Charles P. Kirkland Camp, No. 18, Department of Connecticut, United Spanish War Veterans, of Winsted, and the Lieutenant N. W. Bishop Camp, No. 3, United Spanish War Veterans, of Bridgeport, both in the State of Connecticut, praying for the passage of the so-called Bursum bill, granting increased pension to veterans of the Spanish War and their widows, etc., which were referred to the Committee on Pensions.

He also presented the petition of members of Charles B. Bowen Camp, No. 2, United Spanish War Veterans, of Meriden, Conn., praying for the passage of the so-called Knutson bill, granting increased pensions to veterans of the Spanish War and their widows, etc.; which was referred to the Committee on Pensions.

He also presented petitions of members of the Naugatuck Branch of the Women's Christian Temperance Union and members of Isbell Woman's Relief Corps No. 14, Auxiliary to the G. A. R., both of Naugatuck, Conn., praying for the passage of the so-called Cramton bill, being House bill 6645, to amend the national prohibition act, to provide for a bureau of prohibition in the Treasury Department, and to define its powers and duties, etc.; which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Connecticut Bar Association, favoring the passage of the following bills:

S. 2060. An act reorganizing the jurisdiction of the Supreme Court of the United States;

S. 2061. An act vesting in the United States Supreme Court the proper power to make rules on the common-law side of the court;

H. R. 5194. An act authorizing the court in cases of actual controversy to make declaratory judgments;

H. R. 5566; S. 2693. An act substituting the remedy by appeal for the present remedy by writ of error.

H. R. 5265; S. 2692. An act providing for the appointment of official stenographers by the courts in the several districts;

H. R. 5476; S. 2691. An act providing that the judgment of conviction for a minor offense, when the punishment is only a fine and not imprisonment, shall not deprive a citizen of his civil rights; and

H. R. 7081. An act enabling the Federal courts to punish violations of the treaty rights of aliens; which were referred to the Committee on the Judiciary.

Mr. SHEPPARD presented resolutions adopted by the City Federation of Women's Clubs, of Waco, Tex., favoring American membership in the League of Nations and the World Court; which were referred to the Committee on Foreign Relations.

He also presented a resolution of the Dallas Art Association, of Dallas, Tex., praying for American membership in the World Court; which was referred to the Committee on Foreign Relations.

Mr. GOODING presented the following joint memorial of the Legislature of Idaho, which was referred to the Committee on Finance:

STATE OF IDAHO,
DEPARTMENT OF STATE.

I, F. A. Jeter, secretary of state of the State of Idaho, do hereby certify that the annexed is a full, true, and complete transcript of senate joint memorial 2, adopted by the eighteenth session of the Idaho Legislature, which was filed in this office on the 4th day of February, A. D. 1925, and admitted to record.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State, done at Boise city, the capital of Idaho, this 4th day of February, in the year of our Lord 1925 and of the independence of the United States of America the one hundred and forty-ninth.

[SEAL.]

F. A. JETER,
Secretary of State.

IN THE SENATE,
LEGISLATURE OF THE STATE OF IDAHO,
Eighteenth Session.

Senate joint memorial 2 (by Hagan)

To the honorable the Senate and House of Representatives of the United States of America, in Congress assembled:

Your memorialists, the Senate and House of Representatives of the State of Idaho respectfully represent that—

Whereas those engaged in European countries in growing peas have an undue advantage over those engaged in that same industry in this country, and particularly in the western part thereof, due to difference in freight rates and cheap labor,

Whereas this industry is well suited to the soil and climate of Idaho and other parts of the West but has had difficulty in getting a start because of the above disadvantages,

Now, therefore, we, the Senate of the State of Idaho, the House of Representatives concurring, do earnestly request and recommend the passage by Congress of an act placing a duty of 3 cents per pound on peas, instead of the present inadequate duty; be it further

Resolved, That a copy of this memorial be forwarded to the Senate and House of Representatives of the United States of America and to the Senators and Representatives in Congress from this State.

This senate joint memorial passed the senate on the 26th day of January, 1925.

H. C. BALDRIDGE,
President of the Senate.

This senate joint memorial passed the house of representatives on the 31st day of January, 1925.

W. D. GILLIS,
Speaker of the House of Representatives.

I hereby certify that the within Senate joint memorial 2 originated in the senate during the eighteenth session of the Legislature of the State of Idaho.

A. L. FLETCHER,
Secretary of the Senate.

Mr. GOODING also presented the following joint memorial of the Legislature of Idaho, which was referred to the Committee on Interstate Commerce:

STATE OF IDAHO,
DEPARTMENT OF STATE.

I, F. A. Jeter, secretary of state of the State of Idaho, and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of house joint memorial 5 with the original thereof adopted by the senate and house of representatives of the Eighteenth Legislative Assembly of the State of Idaho, and filed in the office of the Secretary of State of Idaho February 2, 1925, and that the same is a full, true, and complete transcript therefrom and of the whole thereof, together with all indorsements thereon.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State. Done at Boise, the capital of Idaho, this 3d day of February, A. D. 1925.

[SEAL.]

F. A. JETER,
Secretary of State.

IN THE HOUSE OF REPRESENTATIVES.

House joint memorial 5

(By Sanborn, Katerndahl, Elison, Hall, Anderson (Latah), Fenn, White, Egbert, Hull, Moody, and Coulter)

To the honorable the Senate and House of Representatives of the United States of America in Congress assembled:

Your memorialist, the Senate and House of Representatives of the State of Idaho, respectfully represent that—

Whereas one E. M. Sweeley, of Twin Falls, Idaho, according to the press reports of January 27, in appearing before the Interstate Commerce Committee, and pretending to speak for the people of the State of Idaho as to their attitude toward the so-called long-and-short-haul bill, particularly described as Senate bill No. 2327, introduced by Senator FRANK R. GOODING, of Idaho, is reported to have declared that "with the exception of a very few nobody in Idaho is paying any attention to the Gooding bill," and to have further stated that while the Legislature of the State of Idaho passed joint memorial 1, requesting enactment of the Gooding bill, "the senators who voted for it knew nothing about the merits of the bill and that the house adopted it without debate"; and

Whereas your memorialist, the Senate and House of Representatives of the State of Idaho, deeply resent the imputations of this unauthorized spokesman for the State of Idaho as to the character of the consideration given by them to said joint memorial to you and deplore the said misleading statements; and

Whereas said joint memorial 1, heretofore forwarded to you, was passed by the Senate of the State of Idaho by vote of 39 in favor, 4 against, and 1 absent, and in the house of representatives by a vote of 60 for, 1 against, and 1 absent, and whereas said vote accurately represents the carefully considered judgment of the Legislature of Idaho and in the opinion of your memorialist truly reflects the opinion of the citizens of Idaho concerning this important measure, in which your memorialist believe practically all the citizens of Idaho are taking a deep and intelligent interest: Now, therefore,

We, the house of representatives (the senate concurring) do earnestly renew our recommendation made in senate joint memorial 1 of this eighteenth session of the Idaho Legislature that speedy and favorable action be taken on said Gooding bill in the House of Representatives; and be it further

Resolved, That a copy of this memorial be forwarded to the Senate and House of Representatives of the United States of America and to the Senators and Representatives in Congress from this State.

This house joint memorial passed the house on the 29th day of January, 1925.

W. D. GILLIS,
Speaker of the House of Representatives.

This house joint memorial passed the senate on the 30th day of January, 1925.

H. C. BALDRIDGE,
President of the Senate.

I hereby certify that the within house joint memorial 5 originated in the house of representatives during the eighteenth session of the Legislature of the State of Idaho.

C. A. BOTTOLFSEN,
Chief Clerk of the House of Representatives.

Mr. DALE presented the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Foreign Relations:

Whereas we believe that the United States of America should no longer fail to take advantage of every opportunity that may be offered, whereby her powerful influence may be exerted in an attempt to provide some method by which international disputes may be settled by arbitration under law, instead of resorting to physical warfare, usually ending, not in a just settlement, but with a continued hatred and spirit of revenge:

Resolved by the senate and house of representatives, That we consider it most desirable, for the United States Senate, without further delay, to adopt such method as may seem best to express a desire and purpose, for the United States to participate in the World Court, on the Harding-Hughes terms, as approved by President Coolidge, in order that our influence may be felt, and good accomplished thereby; and be it further

Resolved, That the secretary of state be directed to forward copies of this resolution to Senators FRANK L. GREEN and PORTER H. DALE, and Congressmen FREDERICK G. FLEETWOOD and ERNST W. GIBSON with a request that this action of the legislature receive their prompt attention.

W. K. FARNSWORTH,
President of the Senate.
ROSWELL M. AUSTIN,
Speaker of the House of Representatives.

Approved February 10, 1925.

FRANKLIN S. BILLINGS, *Governor.*

STATE OF VERMONT,
OFFICE OF SECRETARY OF STATE.

I hereby certify that the foregoing is a true copy of a joint resolution entitled: "Joint resolution relating to the participation of the United States in the World Court," approved February 10, 1925.

In testimony whereof, I have hereunto set my hand and affixed my official seal, at Montpelier, this 11th day of February, A. D. 1925.

[SEAL.] RANSON C. MYRICK,
Deputy Secretary of State.

Mr. DALE also presented the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Finance:

Resolved by the senate and house of representatives—

Whereas a tax on inheritances has been an important source of revenue of this State since 1896; and

Whereas in the proper division of subjects of taxation between the State and Federal Governments, Secretary of the Treasury, Andrew W. Mellon, with the approval of President Calvin Coolidge, has urged upon Congress the desirability of repealing all Federal estate taxation laws for the purpose of leaving this source of revenue to the States alone:

Resolved, That the Senators and Representatives of Vermont in Congress be respectfully requested to do everything in their power to carry out the foregoing recommendation in order that this State may have exclusive jurisdiction of the taxation of estates and inheritances of citizens of this State:

Resolved, That the secretary of state is hereby directed to mail forthwith to each Senator and Representative of Vermont in Congress a duly authenticated copy of this resolution.

ROSWELL M. AUSTIN,
Speaker of the House of Representatives.
W. K. FARNSWORTH,
President of the Senate.

Approved February 4, 1925.

FRANKLIN S. BILLINGS,
Governor.

STATE OF VERMONT,
OFFICE OF SECRETARY OF STATE.

I hereby certify that the foregoing is a true copy of joint resolution relating to taxation of estates and inheritances, approved February 4, 1925.

In testimony whereof, I have hereunto set my hand and affixed my official seal, at Montpelier, this 4th day of February, A. D. 1925.

AARON H. GRANT,
Secretary of State.

Mr. HOWELL presented resolutions of the Legislature of Nebraska, which were referred to the Committee on Commerce, as follows:

House concurrent resolution and memorial petitioning the Congress of the United States to immediately provide by law for a survey of the Missouri River from Kansas City, Kans., to Sioux City, Iowa, with a view to establishing a dependably navigable channel in that section of the Missouri River, and for the appropriation of ample funds for the completion of the improvement of the Missouri River as far west as Kansas City, Kans., according to the plans of the Engineer Corps heretofore adopted by Congress

Whereas the improvement of the St. Lawrence River to permit ocean-going vessels to enter the Great Lakes and receive and discharge cargoes in lake ports more than 1,000 miles inland will result in a substantial saving on rail and ocean rates on the tonnage in and out of the West;

Whereas the agricultural, commercial, and industrial interests of Nebraska, Kansas, Missouri, western Iowa, and all other sections of the Missouri River Valley being compelled to pay high freight rates on the long hauls would be greatly benefited by the immediate establishment of dependable navigation as far north as Sioux City, Iowa; and

Whereas the Congress of the United States in 1910 adopted the project of improving the Missouri River as far west as Kansas City, Kans., with a minimum depth of 6 feet at the extreme dry season of the year, at a cost of $20,000,000, to be expended in 10 years, or at the rate of $2,000,000 a year; and

Whereas Congress has not carried out the policy as outlined, having failed to make appropriations in amounts sufficient to complete the improvement of that section of the Missouri River in the 10-year period; and

Whereas it is estimated that the completion of the Missouri River to Kansas City, Kans., in addition to work already done, will only cost $13,000,000; and

Whereas the money heretofore appropriated by Congress and expended in the improvement of the Missouri River can not be effective to aid commerce because dependable and profitable navigation of the Missouri River can not be successfully established until the improvement thus started is practically completed; and

Whereas dependable navigation established on the Missouri River completely improved, according to plans of the United States Engineer Corps heretofore adopted by Congress, and such improvement extended north to Sioux City, Iowa, would enable the wheat growers of Kansas, Missouri, and Iowa, and other shippers in the Missouri Valley to save more annually than the $13,000,000 it would cost to complete the improvement now already well under way: Therefore be it

Resolved by the house of representatives (the senate concurring), That we favor and urge the early improvement of the St. Lawrence River to permit ocean-going vessels to enter the Great Lakes, and that we do most respectfully petition the Congress of the United States to make provision by law for a survey of the Missouri River from Kansas City, Kans., to Sioux City, Iowa, with a view of establishing a dependably navigable channel in that section of the Missouri River, to provide by proper appropriation for the completion of the improvement of the Missouri River within three years by placing it under the continuing-contract system, in accordance with the plans heretofore adopted by Congress for the improvement of the Missouri River to a depth of 6 feet as far west as Kansas City, Kans., and that such improvements be extended north to Sioux City, Iowa, so that water transportation may be made available to the shippers of Nebraska, Kansas, Missouri, and western Iowa.

Resolved, That the secretary of state be, and is hereby, directed to transmit copies of this resolution to the Senate and House of Representatives of the United States, and to the several Members of said bodies representing this State therein, and to the President and to the President's agricultural committee.

REPRESENTATIVE HALL,
Lincoln, Nebr., February 10, 1925.

I hereby certify that the foregoing resolution passed the House of Representatives and Senate at the forty-third session of the Legislature of Nebraska on this 10th day of February, 1925.

FRANK P. CORRICK,
Chief Clerk of the House.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Nebraska. Done at Lincoln this 11th day of February, in the year of our Lord 1925.

[SEAL.] CHARLES W. POOL,
Secretary of State.

REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 3581) for the relief of Francis J. Young, reported it without amendment and submitted a report (No. 1109) thereon.

Mr. BROOKHART, from the Committee on Claims, to which was referred the bill (S. 3378) for the relief of Isabelle R. Damron, postmaster of Clintwood, Va., reported it with an amendment and submitted a report (No. 1110) thereon.

Mr. CAMERON, from the Committee on Indian Affairs, to which were referred the followings bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 4114) authorizing the construction of a bridge across the Colorado River near Lee Ferry, Ariz. (Rept. No. 1111); and

A bill (H. R. 11361) to provide for exchanges of Government and privately owned lands in the additions to the Navajo Indian Reservation, Ariz., by Executive orders of January 8, 1900, and November 14, 1901 (Rept. No. 1112).

Mr. HARRELD, from the Committee on Indian Affairs, to which was referred the bill (H. R. 6869) to authorize allotments of lands to Indians of the Menominee Reservation in Wisconsin, and for other purposes, reported it without amendment and submitted a report (No. 1113) thereon.

He also, from the same committee, to which was referred the bill (S. 4301) authorizing any tribe or band of Indians of California to submit claims to the Court of Claims, reported it with amendments and submitted a report (No. 1114) thereon.

He also, from the same committee, to which was referred the bill (H. R. 7687) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes, reported it with amendments and submitted a report (No. 1116) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 183) establishing a joint congressional commission to make an examination and audit of cotton statistics in the Bureau of the Census, and for other purposes, reported it with an amendment.

Mr. NORBECK, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 10592) to amend an act entitled "An act authorizing extensions of time for the payment of purchase money due under certain homestead entries and Government land purchases within the former Cheyenne River and Standing Rock Indian Reservations, N. Dak. and S. Dak.," reported it without amendment and submitted a report (No. 1115) thereon.

Mr. NORRIS, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 169) authorizing the Secretary of Agriculture to waive all requirements in respect of grazing fees for the use of national forests during the calendar year 1925, reported it without amendment.

Mr. WALSH of Montana, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 7679) for the relief of Lars O. Elstad and his assigns and the exchange of certain lands owned by the Northern Pacific Railway Co., reported it without amendment and submitted a report (No. 1117) thereon.

ENROLLED BILLS PRESENTED

Mr. WATSON, from the Committee on Enrolled Bills, reported that February 14, 1925, that committee presented to the President of the United States the following enrolled bills:

S. 660. An act for the relief of the Ogden Chamber of Commerce;

S. 785. An act for the relief of the Eastern Transportation Co.;

S. 833. An act for the relief of Emma LaMee;

S. 1038. An act for the relief of the Brooklyn Eastern District Terminal;

S. 1039. An act for the relief of the owner of the scow *W. T. C. No. 35;*

S. 1040. An act for the relief of the owners of the New York Sanitary Utilization Co. scow *No. 14;*

S. 1180. An act for the relief of J. B. Platt;

S. 1370. An act authorizing the granting of war-risk insurance to Maj. Earl L. Naiden, Air Service, United States Army;

S. 1599. An act for the relief of the Export Oil Corporation;

S. 1705. An act for the relief of the heirs of Ko-mo-dal-kiah, Moses agreement allottee No. 33;

S. 1893. An act to refund certain duties paid by the Nash Motors Co.;

S. 1930. An act for the relief of the San Diego Consolidated Gas & Electric Co.;

S. 1937. An act for the relief of the Staples Transportation Co., of Fall River, Mass.;

S. 2079. An act for the relief of the owner of the American steam tug *O'Brien Brothers;*

S. 2130. An act for the relief of the owner of the ferryboat *New York;*

S. 2139. An act for the relief of the estate of Walter A. Rich, deceased;

S. 2254. An act for the relief of the Beaufort County Lumber Co., of North Carolina;

S. 2293. An act for the relief of Lehigh Valley Railroad Co. and McAllister Lighterage Line (Inc.);

S. 2458. An act to authorize the payment of an indemnity to the Swedish Government for the losses sustained by its nationals in the sinking of the Swedish fishing boat *Lilly;*

S. 2860. An act for the relief of the Canada Steamship Lines (Ltd.);

S. 3170. An act for the relief of Edgar William Miller;

S. 3247. An act providing for the payment of any unappropriated moneys belonging to the Apache, Kiowa, and Comanche Indians to Jacob Crew; and

S. 3310. An act for the relief of the owners of the barkentine *Monterey.*

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 4313) for the relief of Sea-Coast Packing Co. (Inc.); to the Committee on Claims.

By Mr. SPENCER:

A bill (S. 4314) granting an increase of pension to Mary A. Harlin (with accompanying papers); to the Committee on Pensions.

By Mr. CAMERON:

A bill (S. 4315) providing for the location and purchase of lands containing concentrated mineral deposits, setting out the manner of location, the requirements necessary for possession, the procedure for patenting, and the acts and omissions that will constitute a forefeiture; to the Committee on Mines and Mining.

By Mr. JOHNSON of California:

A bill (S. 4316) for the relief of George Washington Gates; to the Committee on Claims.

By Mr. CARAWAY:

A bill (S. 4317) granting the consent of Congress to the county of Jackson, Ark., to construct, maintain, and operate a bridge across the White River at or near the city of Newport, in the county of Jackson, in the State of Arkansas; to the Committee on Commerce.

By Mr. DILL:

A bill (S. 4318) to provide for the retirement of David E. Lunsford as a corporal in the United States Army; to the Committee on Military Affairs.

A bill (S. 4319) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington to submit to the Court of Claims certain claims growing out of treaties and otherwise; to the Committee on Indian Affairs.

By Mr. RALSTON:

A bill (S. 4320) to extend the time for constructing a bridge across the Ohio River between Vanderburg County, Ind., and Henderson County, Ky.; to the Committee on Commerce.

By Mr. FESS (for Mr. CUMMINS):

A bill (S. 4321) granting an increase of pension to Ezra Nuckolls; to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 4322) to encourage, promote, and aid in the formation of cooperative marketing associations of producers of agricultural products; to aid in the efficient and economical operation of such associations; to provide for a cooperative marketing board and also an advisory council, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. HARRISON:

A joint resolution (S. J. Res. 185) making an appropriation for the arrest and eradication of anthrax; to the Committee on Appropriations.

HOUSE BILLS REFERRED

The following bills were each read twice by title and referred as indicated below:

H. R. 12101. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1926, and for other purposes; to the Committee on Appropriations.

H. R. 12175. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; to the Committee on Pensions.

AMENDMENT TO DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. CAMERON submitted an amendment intended to be proposed by him to House bill 12033, the District of Columbia appropriation bill, which was ordered to lie on the table and to be printed, as follows:

Any teacher of the public-school system at the time of the enactment of this act who has been a teacher in such system continuously since June 30, 1906, and who at any time during such period has been demoted in grade or reduced in salary without trial shall be immediately promoted to the grade and paid the salary to which he or she would have been entitled but for such demotion or reduction.

TRAFFIC REGULATIONS AND ADDITIONAL OFFICERS

Mr. STANLEY submitted an amendment intended to be proposed by him to the bill (S. 4207) to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. McKELLAR. I submit an amendment intended to be proposed by me to the bill (S. 4207) to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes. This amendment carries a number of amendments, and I ask unanimous consent that it may be printed in a manner to indicate the eliminations from the Ball bill, the amendments offered by me to be printed in italics and the text of the bill to be stricken through where I propose to strike it out.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendments proposed by the Senator from Tennessee will be printed in the manner requested by him.

REPORTS OF PUBLIC UTILITIES IN THE DISTRICT (S. DOC. NO. 200)

Mr. BALL. Mr. President, I have here reports of all the public utility corporations in Washington for the year 1924. I ask that they may be printed as a public document.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENTS TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. McNARY submitted an amendment intended to be proposed by him to the second deficiency appropriation bill for the fiscal year 1925, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

For carrying out the provisions of section 23 of the Federal highway act approved November 9, 1921, the Secretary of Agriculture is hereby authorized, immediately upon the approval of this act, to apportion and prorate among the several States, Alaska, and Porto Rico, as provided in section 23 of said Federal highway act, the sum of $7,500,000, constituting the amount authorized to be appropriated for forest roads and trails for the fiscal year ending June 30, 1926, by section 2 of the act of February —, 1925: *Provided*, That the Secretary of Agriculture may incur obligations, approve projects, or enter into contracts under his apportionment and prorating of this authorization, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

Add in said bill the following paragraph:

To pay Edith W. Peacock, treasurer of the Peacock Military College (Inc.), the sum of $20,000 in full and final settlement of any and all claims which the said Edith W. Peacock and/or the said Peacock Military College has, or may have, against the United States, and of any and all claims which the United States has, or may have, against the said Edith W. Peacock and/or the said Peacock Military College arising from, growing out of, or in any way connected with and occupation by the United States, in connection with the operation of a vocational training school at or near San Antonio, Tex., of any and all lands, improvements, furniture, equipment, paraphernalia, or facilities owned or controlled by the said Edith W. Peacock or the said Peacock Military College: *Provided*, That before any sum is paid hereunder the said Edith W. Peacock and the said Peacock Military College (Inc.) shall file with the Comptroller General of the United States a waiver of all claims against the United States growing out of the matters herein set out.

PRESIDENTIAL APPROVAL

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that on February 13, 1925, the President had approved and signed the joint resolution (S. J. Res. 174) authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President elect in March, 1925, etc.

SESQUICENTENNIAL OF AMERICAN INDEPENDENCE (S. DOC. NO. 201)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on the Library and ordered to be printed:

To the Congress of the United States:

Herewith I transmit to the Congress copy of a communication this day received from the mayor of the city of Philadelphia, Pa., relative to a celebration for which that city has made an appropriation of $2,000,000 to commemorate the signing of the Declaration of Independence. I recommend that favorable consideration be given to the various suggestions made in the communication.

CALVIN COOLIDGE.

THE WHITE HOUSE,
February 14, 1925.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. SMOOT. I ask that the Chair may lay before the Senate the conference report on House bill 10020, returned from the House.

The PRESIDING OFFICER (Mr. FESS in the chair) laid before the Senate the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10020) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1926, and for other purposes.

Mr. SMOOT. I ask unanimous consent that the vote by which the conference report was agreed to may be reconsidered.

Mr. WALSH of Massachusetts. This is the conference report in which the Senator from Montana [Mr. WALSH] is interested, who is absent at this time?

Mr. SMOOT. This is the conference report.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and the vote by which the report was agreed to is reconsidered.

Mr. SMOOT. I ask unanimous consent that the conference report be recommitted to the conference committee.

The PRESIDING OFFICER. Is there objection. The Chair hears none, and it is so ordered.

CLAIMS OF CHIPPEWA INDIANS OF MINNESOTA

Mr. HARRELD. I ask unanimous consent to withdraw the conference report submitted by me on the 11th instant on the disagreeing votes of the two Houses on the bill (H. R. 9343) authorizing the adjudication of the claims of the Chippewa Indians of Minnesota. We find that it will be necessary to refer the report back to the conferees to deal with one question.

The PRESIDING OFFICER. The Senator from Oklahoma asks unanimous consent to withdraw the conference report on House bill 9343. Is there objection? The Chair hears none, and it is so ordered.

At his own request, Mr. ASHURST was excused from further service as a conferee on the part of the Senate on House bill 9343, and the Presiding Officer appointed Mr. KENDRICK in his stead.

HEIRS OF AGNES INGELS, DECEASED

Mr. CAPPER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1765) for the relief of the heirs of Agnes Ingels, deceased, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 2, and agree to the same.

ARTHUR CAPPER,
SELDEN P. SPENCER,
Managers on the part of the Senate.

GEO. W. EDMONDS,
CHARLES L. UNDERHILL,
JOHN C. BOX,
Managers on the part of the House.

The report was agreed to.

ELLEN B. WALKER

Mr. CAPPER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 365) for the relief of Ellen B. Walker, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

ARTHUR CAPPER,
SELDEN P. SPENCER,
Managers on the part of the Senate.

GEO. W. EDMONDS,
CHARLES L. UNDERHILL,
JOHN C. BOX,
Managers on the part of the House.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed without amendment the bill (S. 4162) to establish home ports of vessels of the United States, to validate documents relating to such vessels, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 103. An act for the inclusion of certain lands in the Plumas National Forest, Calif., and for other purposes; and

H. R. 8090. An act authorizing the Secretary of the Treasury to remove the quarantine station now situated at Fort Morgan, Ala., to Sand Island, near the entrance of the port of Mobile, Ala., and to construct thereon a new quarantine station.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 4441. An act to amend section 4044 of the Revised Statutes, as amended; and

H. R. 9765. An act granting to certain claimants the preference right to purchase unappropriated public lands.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 11505) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1926, and for other purposes, the pending question being on the amendment by Mr. HOWELL, to strike out after line 18, page 20, the following paragraphs:

RAILROAD LABOR BOARD

For nine members of the board, at $10,000 each; secretary, $5,000; in all, $95,000.

For all other authorized expenditures of the Railroad Labor Board in performing the duties imposed by law, including personal and other services in the District of Columbia and elsewhere, supplies and equipment, law books and books of reference, periodicals, travel expenses, per diem in lieu of subsistence, rent of quarters in the District of Columbia, if space is not provided by the Public Building Commission, rent of quarters outside of the District of Columbia, witness fees, and mileage, $190,805, of which not to exceed $136,920 may be expended for personal services.

For all printing and binding for the Railroad Labor Board, including all its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $11,000.

The PRESIDING OFFICER (Mr. MOSES in the chair). The Senator from Nebraska [Mr. HOWELL] is entitled to the floor and will proceed.

Mr. HOWELL resumed and concluded the speech begun by him yesterday, which is, entire, as follows:

Friday, February 13, 1925

Mr. HOWELL. Mr. President, I have offered this amendment for the reason that a further appropriation for the continuance of the Railroad Labor Board would seem a useless expenditure of public funds.

When the board was created its futility was urged by railroad managements, employees' organizations, and shippers, both individually and collectively.

Results have justified this opposition.

At first all accepted the situation and endeavored to make the best of the faulty solution of the problem presented, but shortly it became clear that failure was a certainty, and now we have the evidence.

The official report of the board shows that up to December 31, 1923, it had docketed 11,564 disputes, or an average of 3,120 per year, while for 1924 there were but 841, a decrease of nearly 75 per cent. Moreover, the disputes docketed last year were largely of minor importance. This was not because the disputes throughout the country had decreased—not at all.

The reasons for the decline of the business of the board are as follows:

(1) Regular unions will not take cases to the Railroad Labor Board where this can be avoided, having no confidence in the board.

(2) The increased number of company unions—which are unable to take disputes to the Labor Board because of the requirements in their laws that two-thirds of a joint committee must approve any action. As the railroad in each case has one-half the committee, the employees can not get a decision or thereby an appeal to the Labor Board, except by consent of the management. (See hearings, p. 331.)

(3) Other and less expensive means have been devised for the settlement of grievances, such as provided in proposed legislation now pending.

As a consequence, the board received only 841 cases in the year 1924, which, with a few exceptions, were petty disputes about on a par with justice court cases. To decide these, the board has nine members drawing $10,000 a year—secretaries, examiners, and clerks, requiring total appropriation in the present bill of $296,805; costing the Government over $350 a dispute. Dividing the cases among the nine members as though each were a judge drawing $10,000 a year gives about 93 cases per member, or less than 8 cases per month per member. Think of paying a judge $10,000 a year to decide 8 cases a month, particularly when most of these cases would involve a claim for wages wrongly calculated, or for minor discipline unfairly imposed, and similar comparatively small matters that might possibly be worthy of an hour or two in consideration.

Whereas the railroad managements are now supporting the Railroad Labor Board as a propaganda agency, they disclaim it as their child, as evidenced by testimony given before the Committee on Interstate Commerce by Colonel Thom, general counsel for the Association of Railway Executives, as follows (pp. 184–185, Senate hearings):

Mr. THOM. Will you permit me to say that the railroads had nothing to do with the creation of the system of the Labor Board?

Mr. RICHBERG. I say this: That from the very beginning the employees opposed the creation of the board from the start to the finish. They were represented before committees of Congress, and the carriers were represented before the committees, and they—the carriers—advocated legislation, so under the circumstances I would say that the employees were not asking for the legislation and the carriers were seeking to obtain it and did obtain it.

Mr. THOM. He is entirely mistaken. There appears in the records of this Congress a complete story as to how that was done. The Senate committee had one provision on the subject and the House committee had another, and it was referred to the Director General of Railroads, and he came back with a bill which carried out those provisions, and that is a matter of record in the House of Representatives. We had nothing to do with it. It was the creation of a committee of Congress and the Director General of Railroads, on which there were no hearings and in which we did not participate.

That the railroad employees have been opposed from the outset to the board plan is evident from the following testimony given at the Senate hearings by D. B. Robertson, president of the Locomotive Firemen (pp. 1–14, inclusive, Senate hearings):

Mr. ROBERTSON. Mr. Chairman, preliminarily to my remarks, I may say that I have here a list of the names of the organizations represented at this hearing, which I will be glad to have inserted in the record at this point. There are 20 organizations involved, including the 3 organizations engaged in the marine service, handling tonnage that comes within the interstate commerce act.

The CHAIRMAN. Without objection, the list will be inserted in the record.

The list is as follows:

Brotherhood of Locomotive Engineers, W. S. Stone, grand chief engineer; Brotherhood of Locomotive Firemen and Enginemen, D. B. Robertson, president; Order of Railway Conductors, L. E. Sheppard, president; Brotherhood of Railroad Trainmen, W. G. Lee, president; Switchmen's Union of North America, T. C. Cashen, president; Order of Railroad Telegraphers, E. J. Manion, president; American Train Dispatchers' Association, J. G. Luhrsen, president; International Association of Machinists, W. H. Johnston, president; International Brotherhood of Boilermakers, Iron-Ship Builders, and Helpers of America, J. A. Franklin, president; International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, J. W. Kline, president; Amalgamated Sheet-Metal Workers' International Alliance, J. J. Hynes, president; International Brotherhood of Electrical Workers, J. P. Noonan, president; Brotherhood of Railway Carmen of America, M. F. Ryan, president; Brotherhood of Railroad Signalmen of America, D. W. Helt, president; Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, E. H. Fitzgerald, president; Brotherhood of Stationary Firemen and Oilers, Timothy Healy, president; United Brotherhood of Maintenance of Way Employees and Railroad Shop Laborers, F. H. Fljozdal, president; National Organization, Masters, Mates, and Pilots of America, J. H. Pruett, president; International Longshoremen's Association, A. J. Chlopek, president; National Marine Engineers' Beneficial Association of the United States of America, William S. Brown, president; American Federation of Labor, Samuel Gompers, president.

Mr. ROBERTSON. Mr. Chairman, the railway bill embodies a program for insuring continuous and efficient operation of the railroads which has the enthusiastic support of all railway and marine labor organizations subject to the provisions of the transportation act, 1920, including the American Federation of Labor. In their behalf I will present a short statement, first, of the need for such legislation and, second, of the reasons why the Howell-Barkley bill will accomplish the results desired. This statement will be followed by another short statement from Mr. Donald R. Richberg, counsel for organized railway employees, showing the bases in previous laws and legal precedents for the proposed legislation.

First. This legislation is necessary because Title III of the transportation act has failed to insure or even to promote industrial peace.

The failure of the transportation act, Title III, is summarized as follows:

1. Its enactment was the result of hasty compromise.

(*a*) The Esch bill provided (permissive):

I. Conferences.

II. Adjustment board.

III. Board of appeals.

IV. No antistrike provision.

(*b*) The Cummins bill provided (compulsory):

I. Three adjustment boards.

II. Committee on wages and rules.

III. Transportation board.

IV. Drastic antistrike provision.

(*c*) The Esch-Cummins Act provided (semipermissive and compulsory):

I. Conferences.

II. Voluntary adjustment boards.

III. Labor board.

IV. Publicity.

The Esch-Cummins Act was a new piece of legislation produced by conference in eight days without hearings and opposed by the organized employees and generally by organized labor. It has satisfied no one. After 30 years without interruption of transportation service, we have seen in four years under the transportation act discord and strife prevalent on the railroads and the only national strike in our history.

Primarily the fault lies in the law. Secondarily in administrative action under the law resulting largely from the unsoundness of the law. The railway workers are unitedly opposed to its continuance. The railway managers openly flout the law and only utilize it when it operates in their interest.

The conviction on the part of the railway employees of the country that Title III and the Labor Board have failed, is so general, so well known, and so emphatically expressed, that it is unnecessary to refer to the numerous occasions upon which this feeling has been manifested.

[At this point Mr. HOWELL yielded the floor for the day.]

Saturday, February 14, 1925

Mr. HOWELL. Mr. President, continuing Mr. Robertson's statement in respect to the Labor Board:

In July, 1922, upon instructions from their conventions, representatives of all the organized train, engine, and yard-service men, laid before Congress a plea that the transportation act, 1920, be immediately repealed. Excerpts from the communication are as follows:

"This law has now been in effect and the United States Railroad Labor Board has been in existence for more than two years, which two years' experience has proved conclusively that the judgment of the railroad employees in opposing Title III * * * was correct.

"Instead of composing the situation and preserving industrial peace on the railroads, we now find ourselves in a more chaotic condition, with more unrest and disturbed industrial conditions on the railroads than at any time in the past history of our Government.

"The President of the United States has had an opportunity to change the personnel of the * * * board materially since the original appointments * * *. As a matter of fact, six of the nine original members' terms have expired and new members appointed or the old members reappointed, which has given the Chief Executive an opportunity of correcting to a large extent any mistakes that may have been made in the appointment of the original board after an experiment with the board * * *.

"This leads us to believe that the fault lies with the plan or system probably more so than with the personnel of the board * * *. The situation is rapidly getting worse from time to time * * *."

The executive committee of the American Federation of Labor, in its annual report to the convention, June 21, 1922, made the following statement with reference to the failure of the transportation act:

"A review of the decisions of the Railroad Labor Board for the past year confirms the conviction expressed a year ago that its operation shows nothing of a constructive statesmanship and that its decisions are not in the direction of justice, uniformity, and economy. However we may characterize the decisions, the important fact emphasized is that the decisions of the Railroad Labor Board have given satisfaction neither to the workers nor to management, and have tended toward a more general demoralization of the morale of the mechanical forces upon whom the successful operation of the railroads depend. Indeed, it is inconceivable that there could be designed a court or tribunal which would bring to all concerned that same degree of satisfaction that arises out of collective agreements mutually agreed upon. The Esch-Cummins law, through the Railroad Labor Board, has practically destroyed the conception of voluntary agreements between employers and workers, and the subject of compensation for services rendered has become a constant source of litigation and irritation."

2. Title III was a compromise between compulsion and persuasion. It established a sort of court with all the expense, delay, and complications of judicial proceedings, without the power to end the controversy with an enforceable decision.

It established a board to take the place of mediators who should be persuaders, and then required them to decide disputes which made them arbitrators. As soon as they began deciding disputes they immediately lost standing as mediators. Their peace power became dependent on force and they had no force to exert.

3. To make the transportation act effective required boards of adjustment, but these were left voluntary, to be established by agreement between the carriers and employees. (Title III, sec. 302.)

The railroads refused to join with the employees in creating boards of adjustment (except in the case of a limited number, where a joint agreement was reached between representatives of the railroads and representatives of the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, and the Brotherhood of Railroad Trainmen), and the act became unwieldy. Nothing was settled in conference and every petty grievance was referred to the one national board (the Railroad Labor Board), resulting in the board being swamped, causing absurd expense and intolerable delay.

Failure of the board is shown by its inability to decide many cases and the extreme delay in deciding others, as indicated by its own records:

At the present time four organizations have 845 undecided cases before the Labor Board, which have been pending from three months to three years; 1,035 cases have been decided for these same four organizations, after having been before the board from three months to three years.

Undecided cases referred to the United States Railroad Labor Board by the Brotherhood of Locomotive Engineers and Brotherhood of Locomotive Firemen and Enginemen to January 1, 1924:

Length of time pending without decision:	Cases
Less than 3 months	17
3 and less than 6 months	17
6 and less than 9 months	11
9 and less than 12 months	41
12 and less than 15 months	35
15 and less than 18 months	59
18 and less than 21 months	6
21 and less than 24 months	85
24 and less than 27 months	20
27 and less than 30 months	14
30 and less than 33 months	21
Total	312

Mr. KING. Does the Senator mean that those were cases decided by the Labor Board during that period?

Mr. HOWELL. The figures just given relate to cases undecided by the board, and the months that I have given are the months that had elapsed from the date the cases were filed.

Mr. KING. Showing that they have been held under advisement for a long period of time?

Mr. HOWELL. Yes, sir.

Mr. KING. I should like to ask the Senator whether he has any information as to whether controversies were settled between the railroads and their employees without the intervention of the Labor Board through conciliatory methods which they employed?

Mr. HOWELL. Because of the intolerable delay of the Railroad Labor Board there were four adjustment boards agreed upon in the western section of the country, and many of the small cases were sent to those adjustment boards. That is one of the reasons why the business of the Railroad Labor Board has dropped from an average prior to this last year of over 3,100 cases a year down to only about 800 cases last year.

Mr. KING. Were those adjustment boards selected by the railroads and their employees or by the Labor Board?

Mr. HOWELL. They were selected by the railroads and the employees.

Mr. KING. I should like to ask the Senator if he knows whether or not in cases where adjustments were effectuated through the intervention of the adjustment boards which were selected by the railroads and the employees the rights of the public suffered? It has been charged that if the settlement of these controversies is left to the railroads and the employees alone, they will have no interest in the public, because if the railroads yield to the demands of their employees and increase their wages the presumption is that the Interstate Commerce Commission will immediately increase rates, if that shall be found necessary, to yield the proper earnings to the railroads in order to meet the additional expense of operation.

Therefore, it is contended that it is necessary to maintain the Labor Board. I am wondering whether or not when these arrangements have been made between the railroads and the employees it was felt by shippers and by the public generally that their rights were not protected, and that there was merely a desire between the railroads and the employees to settle the matter in a manner satisfactory to them.

Mr. HOWELL. The disputes decided by the four adjustment boards to which I have referred were grievances. I might say there are two classes of disputes: Primary, relating to wages and conditions of employment; and secondary, which involve what are called grievances. Grievances are such disputes as arise from the interpretation of the agreements to which I have referred. The four adjustment boards decide grievances. I do not mean to say that there have not been some agreements made between the railroads and the employees that may have affected wages but they were not made through the four adjustment boards. The four boards considered grievances.

However, Mr. President, this ought to be kept clearly in mind: A decision by the Railway Labor Board is unenforceable. When a decision does not please the railroads they do not abide thereby, and when it does not please the employees in some cases they have refused to abide thereby. Therefore, to assume that any agreement made outside of the adjustment boards has affected adversely the interests of the public because they were so made is not justified, for if they had been considered by the Railway Labor Board and either side had been displeased the decision of the board would have had no effect.

Decided cases referred to the United States Railroad Labor Board by the Brotherhood of Locomotive Engineers and Brotherhood of Locomotive Firemen and Enginemen to January 1, 1924:

Length of time required to decide:	Cases
Less than 3 months	22
3 and less than 6 months	31
6 and less than 9 months	32
9 and less than 12 months	141
12 and less than 15 months	10
15 and less than 18 months	21
18 and less than 21 months	32
21 and less than 24 months	31
24 and less than 27 months	13
27 and less than 30 months	5
30 and less than 33 months	0
33 and less than 36 months	1
36 and less than 39 months	1
Total	340

Undecided cases referred to the United States Railroad Labor Board by the Order of Railroad Telegraphers to October 16, 1923:

Length of time pending without decision:	Cases
Less than 3 months	28
3 and less than 6 months	17
6 and less than 9 months	21
9 and less than 12 months	14
12 and less than 15 months	42
15 and less than 18 months	34
18 and less than 21 months	5
21 and less than 24 months	6
24 and less than 27 months	4
27 and less than 30 months	1
30 and less than 33 months	2
Total	174

Decided cases referred to the United States Labor Board by the Order of Railroad Telegraphers to October 16, 1923:

Length of time required to decide:	Cases
Less than 3 months	9
3 and less than 6 months	12
6 and less than 9 months	18
9 and less than 12 months	22
12 and less than 15 months	10
15 and less than 18 months	9
18 and less than 21 months	2
21 and less than 24 months	1
24 and less than 27 months	1
27 and less than 30 months	0
30 and less than 33 months	1
33 and less than 36 months	2
Total	87

Undecided cases referred to the United States Railroad Labor Board by the Railway Employees' Department, American Federation of Labor, to February 1, 1924:

Length of time pending without decision:	Cases
Less than 3 months	4
3 and less than 6 months	3
6 and less than 9 months	6
9 and less than 12 months	4
12 and less than 15 months	0
15 and less than 18 months	0
18 and less than 21 months	1
21 and less than 24 months	1
24 and less than 27 months	2
27 and less than 30 months	13
30 and less than 33 months	1
38 months	1
Total	36

[NOTE: Where final consideration was probably influenced by the shopmen's strike delay computed only to July 1, 1922, effective date of the strike.]

Decided cases referred to the United States Railroad Labor Board by the Railway Employees' Department, American Federation of Labor, to February 1, 1924:

Length of time required to decide:	Cases
Less than 3 months	46
3 and less than 6 months	57
6 and less than 9 months	23
9 and less than 12 months	12
12 and less than 15 months	12
15 and less than 18 months	14
18 and less than 21 months	4
21 and less than 24 months	3
24 and less than 27 months	1
27 and less than 30 months	2
Total	174

Cases withdrawn submitted to Labor Board by the Railway Employees' Department, American Federation of Labor, to February 1, 1924, but withdrawn on account of settlement reached through conference between the parties:

Time pending before withdrawn:	Cases
Less than 3 months	8
3 and less than 6 months	15
6 and less than 9 months	2
9 and less than 12 months	2
12 and less than 15 months	1
15 and less than 18 months	3
18 and less than 21 months	1
21 and less than 24 months	4
Total	36

Undecided cases referred to the United States Railroad Labor Board by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, to December 31, 1923:

Time pending without decision:	Cases
Less than 3 months	22
3 and less than 6 months	33
6 and less than 9 months	46
9 and less than 12 months	74
12 and less than 15 months	48
15 and less than 18 months	53
18 and less than 21 months	19
21 and less than 24 months	8
24 and less than 27 months	32
27 and less than 30 months	17

Time pending without decision—Continued.	Cases
30 and less than 33 months	4
33 and less than 36 months	1
36 and less than 37 months	2
Total	359

[NOTE: General wage or rules submissions not included in above.]

Decided cases referred to the United States Railroad Labor Board by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, to December 31, 1923:

Length of time required to decide:	Cases
Less than 3 months	28
3 and less than 6 months	126
6 and less than 9 months	223
9 and less than 12 months	98
12 and less than 15 months	91
15 and less than 18 months	20
18 and less than 21 months	10
21 and less than 24 months	8
24 and less than 27 months	2
27 and less than 30 months	2
Total	608

[NOTE: General wage or rules submissions not included in above.]

Cases withdrawn submitted to labor board by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees to December 31, 1923:

Time pending before withdrawn:	Cases
Less than 3 months	32
3 and less than 6 months	95
6 and less than 9 months	77
9 and less than 12 months	16
12 and less than 15 months	16
15 and less than 18 months	7
18 and less than 21 months	0
21 and less than 24 months	2
24 and less than 27 months	2
27 and less than 30 months	5
30 to 33 months	1
Total	253

[NOTE.—General wage or rules submissions not included in above.]

Undecided cases referred to the United States Railroad Labor Board by the United Brotherhood of Maintenance of Way and Railway Shop Laborers from September 22, 1921, to December 31, 1923:

Time pending without decision:	Cases
6 and less than 9 months	3
9 and less than 12 months	3
12 and less than 15 months	2
15 and less than 18 months	4
18 and less than 21 months	4
21 and less than 24 months	5
24 and less than 27 months	2
27 and less than 28 months	2
Total	25

[NOTE.—Eight of above cases involve rates of pay, one being an arbitrary reduction in rates pending 21 months.]

Decided cases referred to the United States Railroad Labor Board by the United Brotherhood of Maintenance of Way and Railway Shop Laborers from March 5, 1921, to December 31, 1923:

Length of time required to decide:	Cases
Less than 3 months	23
3 and less than 6 months	90
6 and less than 9 months	62
9 and less than 12 months	16
12 and less than 15 months	12
15 and less than 18 months	0
19 months	1
Total	204

[NOTE.—Eighty-three additional cases decided in same period, but incomplete records made impossible computation of time necessary to decide.]

The above records showing delay in handling cases before the Railroad Labor Board cover only 10 of the 20 labor organizations subject to the transportation act.

President Coolidge, in his message to Congress, December 6, 1923, said, inter alia:

"The settlement of railroad labor disputes is a matter of grave public concern. The Labor Board * * * is not altogether satisfactory to the public, the employees, or the companies. If a substantial agreement can be reached among the groups interested, there should be no hesitation in enacting such agreement into law."

And the railroad managers have refused to confer to determine upon a better method of procedure.

Secretary Herbert Hoover, addressing the National Transportation Conference, composed of representatives from all the groups directly interested in the railroads, held in Washington, January 9, 1924, said in part, that he urged as a part of the national policy—

"A basis of employer and employee relationship that will stimulate mutual responsibility as the first requisite to continuous service. * * *

"The reorganization of the Railway Labor Board is one resolution that has had some discussion with your subcommittees. The President has suggested the importance and the desirability of some agreement upon this question as a basis for amendment to the act. The present set-up of labor adjustment has not given entire satisfaction, and in considerable degree this is due to inherent faults in the construction of the board and in its authorities.

"We have in this board confused four different functions in labor relationship. The board has in parts the machinery for collective bargaining, for arbitration, for conciliation, and judicial determination. Whatever change is made in the machinery to solve these relationships the changes should if possible be constructively developed by the railway employees and executives themselves, plus, perhaps, the assistance of independent persons who represent the public interest."

And, as I will say again, notwithstanding the efforts that have been made, the railway executives have refused to confer respecting a measure that shall supplant the Railroad Labor Board provision of the Esch-Cummins Act.

Secretary James J. Davis in his annual report for 1923 to the President, as head of the Department of Labor, said, in part:

"Apparently the differences between the management of the railroads and their employees have been increased and complicated rather than diminished by the operation of the machinery provided by section 300 of the law (transportation act). The practical operation of that plan brings about unreasonable delays in the adjustment of minor disputes and accentuates to the dignity of a contest petty differences with reference to wages and conditions of labor.

"The machinery has proved unwieldly. It seems to me that some machinery less complicated and less cumbersome should be set up to provide for the equitable and expeditious settlement of these disputes through well-known and oft-used channels in order that our transportation system may function at its highest rate of efficiency in the interest of the country."

Judge George W. Anderson, judge of the circuit court of appeals, first circuit, formerly member Massachusetts Public Service Commission and Interstate Commerce Commission, in testifying at the hearings of the New England Committee on Railroad Consolidation, in Boston, December 20, 1922, said, among other things:

"Turning to the labor provisions of the transportation act, the situation is still blacker. A large part of the dominant managerial forces did not accept, in good faith, the labor provisions of the act. Those labor provisions, in which I never had much confidence, were * * * an attempt on the part of many of the legislators to safeguard the essential rights of labor and avoid interruption of railroad service by strikes.

"There was not sufficient political courage in Congress to make strikes flatly illegal, or to provide adequate responsible representation of labor in the initial management so as to make them practically impossible. The compromise was to leave the labor forces at the mercy of the exploiting forces that dominate the railroads, and to provide a tribunal to arbitrate in the controversies certain to result. How the scheme would have worked if it had been accepted in good faith by practically all the railroad managers, no one can say. It was not so accepted. The shopmen's strike of last July was the result. * * * To repeat: The labor provisions were practically their own scheme for dealing with labor, and they showed neither good faith nor tolerable efficiency in working their own scheme. * * *"

This is the statement of a United States judge.

He further says:

The general result is that the mass of railroad employees were, in my opinion, never so embittered and so distrustful of railroad management as now. The relations between the managerial staff and the operating staff were never so bad. Except in a few spots, there is no such thing as loyalty to the existing railroad corporations. No amount of printed propaganda and deception can conceal the fact that railroad equipment is now utterly inadequate for its job. The shopmen's strike has cost the railroads many millions of dollars in direct cash outlays and hundreds of millions more in loss of traffic. It has cost the American people untold sums, probably millions in the aggregate. Nothing has been settled. The strike was lost by both sides so far as labor cost was concerned. If it taught us any valuable lesson, it is that we must have a radical change in the relations between the human forces absolutely essential to the ongoing of our transportation industry and the managerial forces. The labor provisions of the transportation act are effectually discredited. So is the Labor Board. * * *

This is the statement not only of a judge but of one who has served on the Interstate Commerce Commission.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. HOWELL. I do.

Mr. KING. I should like to ask the Senator whether, judging from the article from which he has read, by Judge Ander-

son, or from any other information he has obtained respecting the views of Judge Anderson, he favors a bill by Congress to compel arbitration? I notice in the statement just read that Judge Anderson uses substantially this language—that Congress did not have the courage to pass a law compelling arbitration. Does the Senator know whether he was in favor of a law of that kind and whether he believed that would be effective?

Mr. HOWELL. I think he said that Congress had not the courage to pass an antistrike law.

Mr. KING. Is he in favor of passing a law forbidding strikes?

Mr. HOWELL. He does not say so, but I am not familiar with his views except as expressed in this statement. He evidently is clear, however, that the Railroad Labor Board is a failure.

Continuing: * *

Mr. Chairman, I have several other excerpts from statements of prominent and public men concerning the necessity for changing the present system of adjusting railroad disputes, which, with the permission of the committee, I would like to have included in the record without detaining the committee by reading them.

The CHAIRMAN. Without objection, they will be inserted in the record.

The excerpts referred to are as follows:

Mr. Charles Rippin, president of the National Industrial Traffic League, at the National Transportation Conference held in Washington, January 9 to 12, 1924, on behalf of his organization, advocated the repeal of the Labor Board provision of the transportation act. He said, in part:

"In the first place, the board as constituted under the law is not a disinterested tribunal. The presence of the partisan representatives upon an administrative or judicial board has a tendency to destroy its usefulness as a tribunal. We believe that private industry will be better off without the Railroad Labor Board."

Dr. Emory T. Johnson, dean Wharton School of Finance, University of Pennsylvania, expert on transportation, United States Industrial Commission, 1899; expert on traffic, National Waterways Commission, 1909; member public service commission, Pennsylvania, 1913–1915; transportation expert, Chamber of Commerce of the United States of America, and author of books, etc., on transportation, at National Transportation Conference, Washington, January, 1924:

"I have never been content with the tripartite organization of the Labor Board. I have reached that conclusion as the result of some experience, not only as a theoretical study, and I am inclined to think that the effect of the present board is to minimize the settlement of disputes directly by negotiation between representatives of the carriers and the employees—I mean disputes as to wages, not as to working conditions—and I sincerely hope that the resolution committee will have put before it other plans than the present Railway Labor Board plan, and that out of this conference may come one of two things: Either a recommendation for a conference such as Mr. Hoover suggested, i. e., between employees and carriers, or a definite recommendation for a different organization of the Railway Labor Board."

Mr. Henry Bruere, vice president Metropolitan Life Insurance Co., for years in charge of industrial, etc., investigations and research; Federal Director United States Employment Service for New York State; director National Railways of Mexico, etc., at National Transportation Conference, Washington, D. C., January, 1924, as reported in 76 Railway Age, 237 (240):

"Henry Bruere * * * proposed that the railroad managers and their employees hold a conference to establish some plan of cooperation. He asked whether it would be appropriate for the committee (on resolutions) to add a suggestion that the management of the railways and their various groups of employees early confer in some appropriate way, regarding a general plan of cooperation between the companies and employees, in their mutual interest and in the interest of the public. And that such conference also address itself to the establishment of methods including the necessary public machinery for maintaining such cooperative relations."

Mr. Edwin E. Witte, chief legislative reference library, State of Wisconsin, made the following statements regarding Title III:

"The present law has failed to preserve industrial peace on the railroads of the country. * * *

"The labor provisions of the present law and the Railroad Labor Board are discredited among the organized railroad employees of the country. The railroad men's unions, practically without exception, regard the Railroad Labor Board as an ally of the antiunion railroad executives. * * *

"The present law has utterly failed to bring about better relations between the carriers and their employees. * * *

"The Railroad Labor Board in its decisions has failed to accord to the railroad employees any guaranty corresponding to the guaranties to capital invested in the carriers. This is illustrated in the decision of the board denying to common labor on the railroads a living wage and ridiculing the idea of a living wage."

The New Republic, in an editorial under date of September 20, 1922, entitled "The failure of railroad arbitration," emphasizes the complete failure of the Labor Board and the act upon which it rests to handle the railroad labor problem. Following are excerpts from the editorial:

"The * * * approach of at least some kind of a settlement on the railroads has torn from the public mind the last remaining memory of the agency which was charged two years ago with the duty of preserving peaceful relations between railroad operators and their employees. The arbitral settlement of industrial differences is, however, too important to permit this dismal collapse of the Railroad Labor Board to pass unnoticed. * * *

"Tested by standards of arbitration * * * the Railroad Labor Board has been a total and tragic failure. It failed first because it was unwilling to accept the actual and practical status of unionism in the railway industry. * * * In place of interpreting those forces peculiar to the transportation industry and translating them into decisions of the board, it constituted itself a court of liquidation or of receivers and proceeded to write decisions that could have as their effect only the weakening and liquidation of the railway labor movement. Wherever past industrial practice on the railroads afforded standards of labor relations the board disregarded them and sought their standards in industries where liquidation of labor was most drastic and least difficult. In no unionized industry in the country, and, indeed, in few nonunion industries, was liquidation attempted with such severity and with such a disregard of conditions as on the railroads. * * * The decisions of the board * * * did not only reduce wages and lengthen hours, but also struck at the very heart of the strength of the railway unions. * * *."

Mr. ROBERTSON. In a statement by Chairman Hooper of the United States Railroad Labor Board he set out that between April 15, 1920, and December 15, 1922, 58 of the 201 Class I railroads and 56 of the 892 short-line railroads had violated the decisions of the board. In a statement authorized by Mr. Hooper and issued by the board, entitled "Violations of the transportation act, 1920 * * * as of November 15, 1923," the total disputes filed, charging violations from December 15, 1922, to November 15, 1923, were 188. Of this total the board ruled against the carriers in 77 cases, 64 disputes were designated as otherwise disposed of, and 47 still pending among Class I roads. On the short-line carriers 63 disputes had been filed as for violations, 6 decisions were against the carriers, 28 otherwise disposed of, and 29 still pending and undecided.

Hence, for that period there were filed a total of 251 alleged violations of the orders of the board. Among these violations are those of the Pennsylvania Railroad, involving about 200,000 workers; the New York Central violations, affecting agreements with more than 30,000 men; and the Erie violation, affecting agreements with all classes of employees on that road except the train and engine service organizations. It has been estimated that over one-half of the railroad employees in the country have suffered directly or indirectly by the violations of the board's decisions. Such violations are clear evidence of the failure of the board to handle the railroad-labor problems.

4. Faults in the constitution of the United States Railroad Labor Board:

(a) The appointment of public members who were without interest and without technical knowledge of the railroad industry meant the appointment of men unqualified to understand the problems of the engine cab, the train, the yard, the ship, or the machine shop, who accentuated the court atmosphere, made themselves offensive to the employees, and destroyed confidence. This arose from the law requiring them to decide questions. As mediators they would have been useless unless able to obtain confidence. As deciders they attempted to rely on power and force instead of on persuasion.

I. The attitude of two members of the public group (Chairman Hooper and former Chairman Barton) became so offensive to the employees that they protested to the late President Harding. In the case of former Chairman Barton, protest was made against his reappointment on the board. Doubtless honest in his convictions, he seemed obsessed with the idea that it was necessary to preserve complete individual "freedom of contract," although bargaining collectively, and notwithstanding the Supreme Court in one of its decisions said the duty of the Labor Board was "to reach a fair compromise between the parties without regard to the legal rights upon which each side might insist in a court of law." Although a majority decision of the Labor Board held that the receivers of the Atlanta, Birmingham & Atlantic Railway, in arbitrarily reducing the wages of its employees, had violated the transportation act and rulings of the board, the receiver refused to comply with the board's decision and gave as his reasons the grounds set forth in a dissenting opinion by former Chairman Barton.

Numerous speeches were delivered by Chairman Hooper before various railway and civic clubs, wherein he assailed members of organized labor for assuming to assert their political independence. He assumed to go out of his way to erroneously interpret and criticize the policies

of the railway labor organizations, with the result that his statements were seized upon and broadcasted throughout the country by the opponents of organized labor. To openly criticize the policies of the railway unions could not be construed as representing hostility to the policies of the railroads.

In fact, to the members of the railway unions it appeared that the opponents of organized labor were utilizing the statements of Chairman Hooper in an effort to discredit the railway unions. Although embittered and desirous of expressing resentment, members and representatives of the organizations hesitated to give expression to their feelings. They had to plead their cases before the Labor Board. The transportation act makes no provision for a change of venue. The situation finally became unbearable. Men were ready to revolt against such action by a public member of the Labor Board who, being a representative of the public and possessed of judicial knowledge and training, should have hesitated to assume to criticize the policies of either the railroads or the employees. The Cleveland Press, May 24, 1923, in an editorial entitled "An editorial by a lawyer," criticized Mr. Hooper's digressions from the path of duty as chairman of the Labor Board in the following language:

"Many have prayed to be delivered from their friends. The Supreme Court may well join in that prayer. Its latest defender is Ben Hooper, chairman of the Railroad Labor Board. Instead of attending to his business, he is the traveling propagandist of conservatism. As long as the railroads treated with contempt the decisions of the Railroad Labor Board, what protest did Hooper make? When, though, a labor organization followed the example of the railroads, Hooper let out a wild yell about anarchy and bolshevism.

"Farmers, workers, manufacturers, merchants, shippers, and consumers of every class have suffered too recently and severely from the incompetence of the Railroad Labor Board to give heed to warnings from its head, no matter how widely they are trumpeted in certain organs of privilege.

"Such defenders of judicial supremacy hurt the cause they advocate. The administration of justice in this country has suffered for lack of criticism and publicity. Far-seeing lawyers, as well as laymen, now recognize this. Loud-mouthed pygmies like Hooper accomplish nothing but to advertise that they are so far in the rear that their existence would be forgotten but for the noise they make."

II. The Labor Board appeared helpless and without power or influence to deal with the situation when its decisions were openly flouted by the railroads, but when the shopcrafts assumed to leave the service of the railroads in protest against the third reduction in their wages, totaling approximately 25 per cent, and against other wrongs, the Labor Board immediately exhibited a powerful influence against the employees and joined with the railroads in an effort to crush the shopcraft unions, as will be shown in the following resolution adopted by a majority vote of the board on July 3, 1922.

This resolution, Mr. Chairman, is referred to as the outlaw resolution, adopted by the Labor Board immediately following the national strike of shopcrafts. It is very lengthy, and unless the committee cares to have it read, I will ask to have it included in the record.

The CHAIRMAN. It will be inserted in the record.

The resolution referred to is here printed in full, as follows:

"Whereas the six organizations comprising the Federated Shop Crafts have notified the Railroad Labor Board that a very large majority of the employees which they represent have left the service of the carriers, that the members of said organizations are no longer employees of the railways, under the jurisdiction of the Railroad Labor Board or subject to the application of the transportation act; and

"Whereas the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, United Brotherhood of Maintenance of Way Employees and Railway Shop Laborers, International Brotherhood of Firemen and Oilers, and Brotherhood of Railroad Signalmen of America have also made known to the board that they have put out strike ballots on all or a part of the carriers which may result in the classes of employees which they respectively represent leaving the employ of the carriers; and

"Whereas in the future submission of disputes involving rules, wages, and grievances of said classes of employees of the carriers it will be desirable, if not a practical necessity, for the employees of each class on each carrier to form some sort of association or organization to function in the representation of said employees before the Railroad Labor Board, in order that the effectiveness of the transportation act may be maintained: Now, therefore, be it

"*Resolved*, That it be communicated to the carriers and the employees remaining in the service and the new employees succeeding those who have left the service to take steps as soon as practicable to perfect on each carrier such organizations as may be deemed necessary for the purposes above mentioned; and be it further

"*Resolved*, That on any carrier where either of the above-named organizations, by reason of its membership severing their connection with the carriers, ceases to represent its class of employees, procedure similar to that above suggested in the case of the shop crafts is recommended; and be it further

"*Resolved*, That the employees remaining in the service and the new ones entering same be accorded the application and benefit of the outstanding wage and rule decisions of the Railroad Labor Board, until they are amended or modified by agreements with said employees, arrived at in conformity with the transportation act, or by decisions of this board; and be it further

"*Resolved*, That if it be assumed that the employees who leave the service of the carrier because of their dissatisfaction with any decisions of the Labor Board are within their rights in so doing, it must likewise be conceded that the men who remain in the service and those who enter it anew are within their rights in accepting such employment; that they are not strike breakers seeking to impose the arbitrary will of an employer on employees; that they have the moral as well as the legal right to engage in such service of the American public to avoid interruption of indispensable railway transportation; and that they are entitled to the protection of every department and branch of the Government, State and National. It is suggested that carriers bulletin this resolution which was adopted by the majority action of the board."

Mr. ROBERTSON. Concerning the actions of the Labor Board, as indicated in its resolution of July 3, 1922, the New Republic, in an editorial under date of September 20, 1922, carried the following statement:

"The failure of the Railroad Labor Board is not, however, limited to its procedure during the peaceful period of its existence. Its greatest and most eventful blunder it made on the eve of the present railway strike, when it met the threat of a strike with the counterthreat of outlawing the strikers and their organizations. * * *

"It (such threat) is the employer's way of breaking a strike. * * * It is not, however, the method that arbitrators employ in their attempts to make an adjustment and to restore peace. * * * These plain facts of record and experience, known even to casual students of the labor movement, the Railroad Labor Board saw fit to overlook, just as it had overlooked the balance of power on the railroads before the strike. To members of the railway unions and to their sympathizers these actions of the board, following so close upon its past decisions, mean only hostility to trade-unionism and to the practices of organized labor. Unfortunately the record of the board justifies these feelings."

With further reference to the faults in the constitution of the United States Railroad Labor Board, I will say that the railroad and labor members became complete partisans, each striving to bring over the public members to their side. Under the circumstances a board composed only of three public men would doubtless have accomplished as much good.

(c) The transportation act (sec. 304) and regulations promulgated by the Interstate Commerce Commission provide the method for nominating and appointing all members on the Labor Board. The intent and purpose of these regulations, however, were not strictly adhered to, with the result that certain labor members appointed were not the chosen representatives of the employees. Although protest was made to the President against such appointments, they were permitted to stand. For two years one of the groups of employees was entirely without representation on the board.

5. The Labor Board has adopted unsound policies. Although the courts and numerous arbitration boards have for many years declined to consider "the ability of a carrier to pay" when fixing the wages of railway employees, the Labor Board has assumed to disregard this long and well established rule. The board attempts to justify its action by stating that "the ability of a carrier to pay" is entitled to "secondary" consideration. But whether it is given "secondary" or "preferential" consideration affords little comfort to the employees whose wages are reduced below the level of wages paid to their associates on neighboring lines.

The public are required to pay the same rates for service rendered by the railroads, regardless of whether it is rendered by a poor road where wages have been reduced or by a strong road where standard wages are being paid. The policy of the Labor Board in this respect is equivalent to the recognition of the right of a railroad to reduce the wages of its employees, even though at the same time it may be paying the highest prices in the history of its existence for coal, crossties, lumber, steel, and other necessary supplies and is charging the public standard rates for services rendered.

Under the Labor Board's new theory of fixing wages the employees, without means of adequate defense under the transportation act, would alone be required to assume the burden of a railroad's financial difficulties.

"The ability of a carrier to pay," although used as a basis for reducing men below a fair wage, has never been suggested as a basis for increasing men above a fair wage. If such a theory were applied in the matter of increasing wages, the employees on certain railroads would immediately receive a very noticeable increase in their wages.

6. General widespread dissatisfaction exists among the railroad employees. The organizations are reluctant to go to the Labor Board

with matters that vitally affect the employees they represent. The railroads violate decisions with the sanction of the courts. If the men violate decisions they are denounced and abused.

It is a mechanism of discord. That all labor organizations on the railroads—in fact, the entire American labor movement and the public generally—are against the present law makes it a farce to retain it. It is like offering a hungry man food that turns his stomach. No sincere friend of the railway workers, no intelligent advocate of industrial peace can defend maintaining this mischievous law on the statute books. It should be repealed.

The attitude of the shippers of the country is clearly outlined in the following statement made at the Senate hearings by J. H. Beek, executive secretary of the National Industrial Traffic League, whose headquarters are in Chicago, Ill.:

The CHAIRMAN. Give your name and whom you represent.

Mr. BEEK. My name is J. H. Beek, executive secretary of The National Industrial Traffic League, with offices at 1207 Conway Building, Chicago, Ill.

The CHAIRMAN. Tell us what this league is, will you?

Mr. BEEK. Mr. Chairman, I have a prepared statement in which that is indicated:

The National Industrial Traffic League is an organization composed of individual shippers, firms, and corporations, and of commercial organizations representative of shippers. Included in its membership are practically all of the chambers of commerce and boards of trade of the principal cities throughout the country. Directly through its membership and indirectly through the membership of these local organizations it represents several hundred thousand shippers. While the league does not assume to speak for these shippers individually, the position of the league with respect to the Railroad Labor Board and legislation affecting railroad labor was defined by resolutions adopted almost unanimously at meetings of the league, at which there was a large and representative attendance.

The league holds an annual and one or more special meetings each year in different sections of the country, and these meetings are attended by upward of 400 or 500 members. Subjects of importance are carefully studied by committees of the league, which submit printed reports that are discussed often at considerable length by the members on the floor of the general meeting. The whole railroad labor question has been before the league for several years, and there has been extended discussion of all phases of the question at the annual and special meetings.

The position of the league as expressed in resolutions adopted by a practically unanimous vote at the annual meeting in New York City on November 16, 1922, and ratified in the subsequent meetings, is that the Railroad Labor Board should be abolished and Title III of the transportation act of 1920, which contains the provisions for this board, should be repealed. The operation of this section of the statute was carefully observed and studied by the league for more than two years and a half before it reached its final conclusions with respect thereto. In voting for the repeal of Title III of the transportation act it was at the same time suggested by the league that the existing provisions of the Federal law for the mediation of labor disputes should be broadened and strengthened so as to give the Federal Mediation Board authority to act in all cases and to make public its findings and conclusions.

Some of the underlying reasons for advocating the abolition of the Railroad Labor Board should be here stated:

First. That board, as constituted under the law, is not a disinterested tribunal. It is composed of three representatives of the employers and three representatives of the employees to act with three representatives for the public. In practically all controversies the employee representatives vote for the contentions of the employees and the carrier representatives vote for the contentions of the carriers. The presence of partisan representatives upon an administrative or judicial board has a tendency to destroy its usefulness as a tribunal and such condition is contrary to the fundamental requisites of the judiciary in our American jurisprudence.

Second. We believe in preserving, as far as possible, the freedom of contract between employers and employees and the existence of such a tribunal substitutes their decision for the negotiations between carriers and their employees. The policy of having the Government intervene to determine the terms and conditions of employment will tend to destroy the individual initiative of the workmen and, at the same time, undermine the discipline and respect for authority which is necessary in an efficient business organization.

Third. The existence of a national tribunal to adjudicate such controversies tends to nationalize the industry and solidifies the national organizations of the employees on the one hand and of the executives on the other. It takes away from railroad managers the power and incentive to use business discretion in dealing with the local conditions peculiar to the respective lines and substitutes nation-wide rules and scales of wages which do not fit conditions in various sections of the country.

Fourth. We believe it is impracticable for a central governmental agency to determine the needs and conditions on every division of every railroad in this country without doing injustice to one side or the other.

Fifth. The very existence of a national tribunal to handle labor questions is a standing invitation to submit every kind of minor grievance for its consideration. The great majority of the questions submitted to the existing board have been of this character, many of them being of the most trivial nature.

Sixth. The Labor Board has failed to accomplish the good results which its advocates predicted for it. It has been demonstrated that it will not prevent strikes, nor will it stop them when once they have been started. It has not prevented the intimidation of workers, the destruction of property, the impairment of transportation, nor the taking of human life. On the other hand, its acts have, in some cases, tended to precipitate such troubles. This is not the fault of the board as at present constituted but is the fundamental danger inherent in any scheme where government undertakes to make labor contracts for industries.

Seventh. The Labor Board is not clothed with power to enforce its mandates, and if clothed with such power under the statute it would still be impossible as a practical matter to compel men to work against their wishes.

Eighth. The Labor Board is not necessary. For many years our national laws provided machinery for settlement of labor disputes by conciliation and arbitration. Such laws averted numerous strikes and operated with greater success than has the Labor Board. There have been greater disturbances and interruptions to transportation since the creation of the Labor Board than during the preceding years when operating under the Federal Board of Mediation and Conciliation.

Ninth. The operation of such an agency as the Labor Board has a tendency to crystallize rules of seniority and working conditions, which operate to destroy the individual initiative of the workmen. Every possible step should be taken to leave a free, open road for every railroad worker to rise as he becomes proficient, and we can not expect this when we have a governmental agency to hedge the workmen in by hidebound national rules.

Tenth. We believe that private industry will be better off without the Railroad Labor Board. The artificial scales maintained by the national body for railroad labor operate to create unrest in labor conditions affecting private industry. The great inequality between common railroad labor and farm labor thus continued by the Labor Board, in defiance of the laws of supply and demand, has been one of the greatest factors in creating the serious crisis facing the farmers of the country. The farmers and the public pay these bills and certainly the Government should have no part in the continuance of these conditions. (Pp. 191–193, Senate hearings.)

Those, Mr. President, are some of the views of many shippers of the country respecting the Railroad Labor Board.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. HOWELL. I do.

Mr. GOODING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Fernald	Ladd	Sheppard
Ball	Fess	McKellar	Shields
Bayard	Fletcher	McKinley	Shipstead
Bingham	Frazier	McLean	Shortridge
Brookhart	George	McNary	Simmons
Broussard	Glass	Mayfield	Smith
Bruce	Gooding	Metcalf	Smoot
Bursum	Hale	Moses	Spencer
Butler	Harreld	Norris	Stanley
Cameron	Harris	Oddie	Trammell
Capper	Harrison	Overman	Underwood
Copeland	Heflin	Pepper	Walsh, Mass.
Couzens	Howell	Phipps	Warren
Curtis	Johnson, Minn.	Pittman	Watson
Dial	Jones, Wash.	Ralston	Willis
Dill	Kendrick	Ransdell	
Edge	King	Reed, Pa.	

The PRESIDING OFFICER. Sixty-six Senators have answered to their names. A quorum is present.

Mr. HOWELL. Mr. President, let us now consider the views of the country respecting the Railroad Labor Board as reflected in 1924 by the platforms of the three leading political parties. The Republican platform states:

The Labor Board provisions of the present law should be amended whenever it appears necessary to meet changed conditions. Collective bargaining, mediation, and voluntary arbitration are the most important steps in maintaining peaceful labor relations and should be encouraged. We do not believe in compulsory action at any time in the settlement of labor disputes.

Public opinion must be the final arbiter in any crisis which so vitally affects public welfare as the suspension of transportation. Therefore the interests of the public require the maintenance of an impartial tribunal which can in an emergency make an investigation of the facts and publish its conclusions. This is essential as a basis for popular judgment.

The Democratic platform affirms:

The labor provisions of the act (transportation act) have proven unsatisfactory in settling differences between employer and employees. * * * It (transportation act) must therefore be so rewritten that the high purposes which the public welfare demands may be accomplished.

The progressive platform pledges the "speedy enactment of the Howell-Barkley bill for the adjustment of controversies between railroads and their employees."

Thus it appears that all three leading candidates were committed to amendment of the present law, and that public opinion expressed through the parties and their candidates demanded such legislative action.

But on November 19, 1924, the Association of Railway Executives met and stated their opposition to the opinion of the Nation in these words:

That there is no condition existing to-day which calls for any urgent legislative action by Congress with respect to the railroads, either as to rates, labor relationship, or valuation.

The issue presented when Congress reassembled on December 1 was quite clear: Would the railway presidents yield to public opinion, or would the official representatives of public opinion yield to the railway presidents?

Irrespective of the attitude of the railway executives, President Coolidge responds to public opinion in this matter as evidenced by his message to Congress of December 3, 1924. In part, he said:

Another matter before the Congress is legislation affecting the labor sections of the transportation act. Much criticism has been directed at the workings of this section, and experience has shown that some useful amendment could be made to these provisions.

It would be helpful if a plan could be adopted which, while retaining the practice of systematic collective bargaining, with conciliation and voluntary arbitration of labor differences, could also provide simplicity in relations and more direct local responsibility of employees and managers. But such legislation will not meet the requirements of the situation unless it recognizes the principle that the public has a right to the uninterrupted service of transportation, and therefore a right to be heard when there is danger that the Nation may suffer great injury through the interruption of operations because of labor disputes. If these elements are not comprehended in proposed legislation, it would be better to gain further experience with the present organization for dealing with these questions before undertaking a change (p. 7, President's message).

Mr. President, in closing, let me present the following statement of the menace of the continued existence of the Railroad Labor Board to the peaceful operation of the railroads. This statement comes from the committee of the 20 railway labor organizations representing the overwhelming majority of the railway employees—President D. B. Robertson of the Brotherhood of Locomotive Firemen, President B. M. Jewell of the Railway Employees' Department of the American Federation of Labor, President William H. Johnston of the International Association of Machinists, President William S. Brown of the Marine Engineers' Beneficial Association, and E. H. Fitzgerald, president of the Brotherhood of Railway and Steamship Clerks.

The statement is as follows:

STATEMENT

Public opinion has been persistently misled by railroad propaganda concerning present labor conditions on the railroads. The first two years following the return to private control were years of open conflict between the railway managers and their employees, culminating in the shopmen's strike of 1922, at which time (although the six shop crafts alone went on strike) every other craft of railway employees were dissatisfied with conditions and suspicious and resentful of the attitude of the railway managers and the attitude of the Railroad Labor Board toward organized labor. The two years following the shopmen's strike have been a period of less open conflict, but of deeper unrest and a continual controversy between railroad management and railroad labor, which has not been forced upon public notice only because there have been no great strikes. But many widespread strikes have been only narrowly averted.

Railroad managements have been carrying on a bitter war against the shopcraft organizations, extending on some roads to the organizations of clerks, maintenance of way men, telegraphers, train dispatchers, and other highly important groups of employees. Meanwhile the four train-service brotherhoods have been carrying on a campaign to prevent decreases and obtain increases of wages, which would have resulted in open conflict had it not been for general recognition by railroad managements of the economic power of these strongly organized groups.

The Railroad Labor Board has entirely ceased to function as an agency for peace. Its so-called decisions upon minor disputes are only accepted by some of the railroads as a mater of policy. So frequent are the refusals of other roads to accept decisions that there is little reason for the employees to waste time and money taking disputes to the board.

In the matter of major disputes the board's record is worse than useless. The activities of the board have been positively harmful. The one nation-wide dispute of 1924 involved the four train-service brotherhoods, a wage increase movement starting with the negotiation of a 5 per cent wage increase on the New York Central in January, 1924. By negotiation this increase was gradually extended to cover all the eastern and southeastern lines. The Railroad Labor Board attempted to interfere with the negotiations on one eastern railroad, and the engineers and firemen notified the board that they would refuse to permit its interference. By this means alone they were able within a week to negotiate settlement. The western railways united in opposing the requests of the engineers and firemen, and while negotiations were still in progress the Railroad Labor Board attempted to interfere and call the parties into a hearing. Again the engineers and firemen were forced to refuse to permit the board to interfere with their negotiations and to preserve their constitutional right of liberty of contract. The board attempted to force the employees to appear and testify and the resulting litigation is now pending in the Supreme Court of the United State. Then the board, after months of delay, issued a decision in favor of the New York Central increases, but taking away the benefit of them by authorizing changes in working conditions absolutely unacceptable to the employees. Regardless of this so-called decision the employees negotiated a settlement obtaining the New York Central increases without the obnoxious changes in rules, from a majority of the western roads, negotiations on the remaining roads now being in progress. This controversy has again demonstrated to the employees that the Labor Board operates principally to cause delay and increase discord, and not to promote the settlement of controversies.

Since 1922, acting under the instigation of the Railroad Labor Board and with the sanction of its strike-breaking resolution of July 3, 1922, a large number of railroads have been organizing and maintaining company unions for the purpose of destroying honest collective bargaining. Where these company unions were so obviously nonrepresentative of the employees, where the ballots of the employees have so conclusively shown that they desire representation through the national unions that the board has been forced by the inescapable facts to sustain the employee organizations, the railroads have consistently disregarded the opinions of the board and continued to refuse to recognize the representatives of the employees who have been designated and authorized to speak for them in accordance with the provisions of the transportation act. The Pennsylvania Railroad is the most notorious offender, but even railroads in the hands of Federal receivers, such as the Chicago & Alton, have refused to obey either the law or the nonenforceable orders of the Railroad Labor Board. It is clear that the Labor Board is unable, even if willing, to create any effective public opinion to support the just claims of the employees or to uphold the law. But the Labor Board has been an effective instrument for the spread of railroad propaganda against the employee organizations.

The Railroad Labor Board itself is torn with internal dissensions, bitter criticisms of the majority being frequently made in dissenting opinions charging the majority with prejudice and unfairness, fully supported by the facts. The regular organizations have found it largely a waste of time and money to take disputes to the board. The company unions are not permitted by the laws imposed upon them by the railroads to take their disputes to the board. The chairman of the board has gone up and down the country denouncing the railroad labor organizations which are forced to appear before him, in intemperate and abusive language, utterly disqualifying him to sit as an arbitrator. So biased and partisan has been the attitude of the chairman that the Government attorneys representing the board, unable to defend the challenge of his neutrality, have officially stated:

"Chairman Hooper is not a member of a 'neutral' group. * * * He is not supposed to be any more 'neutral' than are the members of the labor and management groups."

The efforts of the organized railway employees, supported by the highest Government officials to obtain conferences with the railway executives in order to agree upon a program of peace, have been repulsed by the railway presidents. They have demonstrated repeatedly that they are not seeking to promote peace, but are engaged in making war on organized labor in order to destroy honest collective bargaining on the railroads. In this warfare the railway managers have received constant aid from the activities of the Railroad Labor Board. This board, if it had any power under the law as an agency of conciliation, has itself destroyed its power. It has no capacity to persuade the contending parties to an agreement. It does not have and does not merit the respect of either party. The continuance of its existence merely increases lack of confidence in Government intervention and disrespect for governmental authority. If a serious interruption of interstate commerce were threatened, the intervention of the board would only increase the bitterness of the parties, making settlement more difficult and increasing the menace to the public interest.

Again, I wish to state that I have offered this amendment eliminating the appropriation for the Railroad Labor Board from this appropriation bill for the reason that a further appropriation for the continuance of the board would seem a useless expenditure of public funds. The futility of the Labor Board has been demonstrated by the results which have been achieved.

Mr. DILL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. HOWELL. I yield.

Mr. DILL. I have not heard all of the Senator's address. Has the Senator discussed the work of the Railroad Labor Board in keeping the wages of the maintenance-of-way employees to such a low standard as that at which they have been kept?

Mr. HOWELL. I have not gone into the equity of the board's decisions. What I have endeavored to demonstrate is this, that the Railroad Labor Board has lost the confidence of the public, and has lost the confidence of the employees as a consequence. Whereas in the years preceding 1924 it docketed an average of 3,100 cases, in 1924 only about 800 were brought before the board, and they were largely minor disputes.

Mr. DILL. If the Senator's amendment shall be adopted, what method will there be of settling such a question as is now before the Railroad Labor Board relative to the raising of the pay of these maintenance-of-way employees?

Mr. HOWELL. There would be the same methods that were in effect in 1920, when the board was established.

Mr. DILL. The Senator is aware of the fact that the Railroad Labor Board in another decision refused to raise the wages of the maintenance-of-way employees, and that an appeal is now before them?

Mr. HOWELL. Yes; I understand so.

Mr. DILL. Mr. President, I had not intended to discuss this subject at this time, but the remarks of the Senator from Nebraska [Mr. HOWELL] regarding the Railroad Labor Board cause me to call attention to the fact that the Railroad Labor Board has held down the wages of the men who have in charge the duty of taking care of the roadbeds of the railroads of this country. I believe it is a matter of public interest—I feel it is a matter of public safety—that these men who look after the railroad roadbeds, over which trains run, should be paid such salaries that they will not be continually worried about whether or not they are going to have enough at the end of the month to feed and clothe their families.

A great deal has been said about the high wages of the railroad employees, and I am not going to discuss the high wages, but I do say that with the cost of living what it is to-day in our country, men simply can not provide decently for their families, the home, the shelter, the food, and the clothes that a family needs, on an average wage of less than $75 a month, and according to the ruling of the Railroad Labor Board more than 200,000 men, the lowest paid employees of the railroads to-day, are getting, and have been getting for the past year or two, less than $75 a month.

The representatives of some 14 organizations recently had a conference in which they attempted to figure out the lowest income men could receive and still be able to take care of their families properly, and, according to the Department of Labor statistics, the average budget which they fixed for a family was $1,449.13.

Mr. WALSH of Massachusetts. How large a family—of five?

Mr. DILL. I think it is a family with three children, but I will examine into that in order to be certain about it.

Mr. WALSH of Massachusetts. The postmaster of Boston prepared a budget, in which he showed the cost of living per annum per family of five as $2,400.

Mr. DILL. I think this is for a family with three children. I will get the exact figures and put them in the RECORD.

Mr. WALSH of Massachusetts. Never mind about it now.

Mr. DILL. These railroad maintenance-of-way employees are looked upon as not being particularly important, evidently, in the railroad organization of employees, but any man who has ridden in trains this winter with the snow and ice as they have been on the railroad tracks, at the switches, and along the way, must have felt that his life was in the hands of the men who take care of the railroad roadbed. I think it is a matter of public safety that these men should have decent wages.

The Esch-Cummins Act is not at fault particularly in this respect, for it provides that in the fixing of the wages of employees the board shall take into consideration a number of things: First, the scale of wages paid for similar kinds of work in other industries. Second, the relation between wages and the cost of living. Third, the hazards of employment. Fourth, the training and the skill required. Fifth, the degree of responsibility. Sixth, the character and regularity of the employment. Seventh, the inequalities of increases in wages and of treatment, the result of previous wage orders or adjustments.

When we stop to think that these men are receiving an average of $880 per year, for 12 months, $73.33 a month, no argument whatever on the part of anybody is needed to convince one that that is not enough to take care of a family decently.

An examination of the situation shows that thousands of these people are living in huts, in shacks, in abandoned freight cars, living like a lot of pensioners, as it were, petitioners, beggars, almost; and yet the husbands and fathers of these families are men who are looking after the railroad tracks, the roadbeds, over which all our trains run.

I have the figures here as to the average wages of the road and section men for the year 1923, and I want to read them. In January, 1923, 171,363 maintenance of way men received an average of $72 a month. In February, 1923, 171,977 received an average of $63 a month. Think of it, the winter month of February, and an average wage of $63 a month!

Mr. WALSH of Massachusetts. Was that because weather conditions prevented continuous employment?

Mr. DILL. No; the low price per hour was principally the cause of it.

Mr. WALSH of Massachusetts. My question was as to whether their low wages were due to a lack of continuous employment, having in mind that possibly there was a curtailment of the hours or days of employment by reason of the weather conditions.

Mr. DILL. Answering further the question of the Senator from Massachusetts as to the matter of lack of pay per month because of lack of time worked, I want to recite to the Senate the average hourly earnings which will explain the low wages. The average hourly pay during January, 1923, was 34.1 cents, which, as the Senator will see for an 8-hour day brings less than $3. In February it was 33.6, in March 34.1, and so on. Even with these low wages, averaging from $65 to $75 a month, the Labor Board has ruled that they shall not have extra pay for overtime as other branches of the railroad employees get. These men who are to-day so poorly paid that they can not decently provide for their families are held down by the Labor Board and prevented from being given the extra pay for overtime that is given other classes of railroad employees who are better paid. I am not objecting to the other classes being well paid. I am not objecting to the custom that gives them extra pay for overtime. What I object to is that the lowest paid men do not get the same treatment in that respect that the better paid men get.

I was giving the figures as to the number of men who received these low wages. In March, 1923, there were 181,000 men receiving an average wage of only $74 a month; in May, 1923, there were 225,000 receiving an average wage of $76 a month. I ask to have inserted in the RECORD at this point the entire table for the year 1923 giving the number of employees and their average earnings and also the table showing the budgets.

The PRESIDING OFFICER. Without objection the request is granted.

The tables are as follows:

Date	Number of track and roadway section men middle of month	Average earning per employee
1923		
January	171,363	$72.00
February	171,977	63.00
March	181,015	74.00
April	204,387	72.00
May	225,448	76.00
June	238,184	77.00
July	240,515	76.00
August	247,176	80.00
September	233,818	73.00
October	228,215	80.00
November	210,071	69.00
December	178,754	68.00
1924		
January	170,858	72.00
February	171,444	69.00
March	178,742	73.00
April	209,740	73.00

Budget of—	Date prepared	Original cost	Cost of budget, March, 1922	Cost of budget, December, 1923
U. S. Department of Labor	1900-1902	$650.98	$1,401.17	$1,454.41
Louise B. Moore	1903-1905	728.00	1,634.22	1,696.32
New York Conference of Charities and Corrections (Dr. Chapin).	1907	825.00	1,703.25	1,767.97
J. C. Kennedy (Chicago Stockyards).	1909-1910	800.00	1,478.06	1,534.22
New York State Factory Conference:				
New York	1914	876.43	1,419.82	1,473.77
Buffalo	1914	772.43	1,251.34	1,298.89
Philadelphia Bureau of Municipal Research.	1918	1,636.79	1,582.77	1,642.91
New York Board of Estimates and Apportionment.	1915	844.94	1,368.80	1,420.81
Prof. E. F. Ogburn—July	1918	1,386.00	1,340.26	1,391.18
National Industrial Conference Board:				
Fall River	October, 1919	1,267.76	1,144.79	1,188.29
Lawrence	do	1,385.79	1,251.37	1,298.92
West Hoboken	January, 1920	1,604.15	1,331.44	1,382.03
Cincinnati	May, 1920	1,692.50	1,303.23	1,352.75
Worcester	June, 1920	1,733.38	1,344.70	1,385.41

Mr. DILL. The wages of the maintenance-of-way men were raised during the war period until most of them were receiving from $80 to $90 a month, and the Labor Board reduced their wages back to their present level. That is what I object to, and that is what seems to me creates a positively dangerous situation in the country. These men look after the railroad ties and the railroad rails. It depends upon their eyes and upon their hands whether the railroad roadbeds are in condition for trains to run at 40, 50, 60, or 70 miles an hour, as they do, carrying the millions of people of the country.

Think of what it means that these men who are out in the rain, the sleet, the snow, and much of the time in the darkness, investigating and repairing the condition of the roadbeds, receive wages which they know and which we know is below the level of a bare subsistence.

There are 365 days in the year, and there are 52 Sundays and 7 legal holidays, leaving 306 work days. If the wage earner worked 8 hours a day for 306 days in the year he would work 2,448 hours in the course of the year. To receive the wage necessary for the subsistence level budget which these 14 budgets fix, namely, $1,449.13, they must receive between 59 and 60 cents an hour, and yet they are receiving 33 to 37 cents an hour. I am not asking, I am not even urging or recommending, that wages be raised for maintenance-of-way employees to this budget of $1,450. That may be somewhat excessive for the financial conditions of the railroads, but certainly the wages ought to be put back to the basis where they were, approximately $90 a month. I have always believed, since the increase in the cost of living, that men can not feed a family on $100 a month, and certainly when we bring wages down to below $75 a month we have gone to the point where we are actually endangering their efficiency for service in connection with the railroads of the country. I believe that this action on the part of the Railroad Labor Board shows its unfitness for the work that it is attempting to do in the interest of the public, to say nothing of the rights of the workingmen on the railroads.

Under the decisions of the Railroad Labor Board, on which the public representatives are supposed to have the deciding votes, the other six members being labor and railway representatives, the class of employees that look after the roadbeds of the railroads is restricted to wages $569.13 below what the 14 organizations fixed as a budget necessary for the bare living of a family. On the bare subsistence level, where it is found necessary that men receive 60 cents an hour to keep an average family above the danger level, this class of men earns an average of 36 cents an hour, which is 24 cents per hour less than the economic subsistence hourly wage that is recommended.

I believe the public has no conception of the wages these men are being paid. I believe the public has no realization of the dangers to the people who ride on the railroads in having men's wages held down to this extent. I am in favor of abolishing the Labor Board because, instead of helping to protect the public on this question of maintenance-of-way employees' wages by at least leaving them where they were, at about $85 to $90 a month, they have deliberately lowered them below the subsistence level of the people of the country.

We have adopted stringent immigration laws and I voted in favor of them. We have raised the salaries of the clerks of the Government by the millions and I voted in favor of that. But here is a Government agency, the Railway Labor Board, that lowers the wages of men who are already receiving wages far below what was found to be the subsistence level and refuses to put those wages back to a decent living basis.

I want to call attention to the things that were disregarded by the Labor Board when it did reduce the wages and refused to raise them again. The average rate, as I said, is less than 36 cents an hour. The National Industrial Conference Board, which is an association of 31 big business organizations, shows in its research report No. 69, page 12, that the average hourly earnings of male unskilled workers in 23 industries in 1923 was 46.6 cents an hour, which is a difference of 10.6 cents per hour. The average annual earnings for maintenance-of-way carpenters in 1923, according to the Interstate Commerce Commission, was $1,433, which gives them a wage rate of 59 cents an hour, while the United States Department of Labor Bulletin 354 shows an average rate of the carpenters' wages in the building trades of $1.084 per hour in May, 1923. I cite that to show that not only the wages of maintenance-of-way employees but also the wages of the carpenters who work on the railroads are being kept down below the average wage in the country. Similar differences exist regarding other branches of poorly paid railroad labor.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Massachusetts?

Mr. DILL. Certainly.

Mr. WALSH of Massachusetts. Is there a sentiment among the railroad employees that the board has become directly or indirectly sympathetic with the railroad point of view on all these questions?

Mr. DILL. I think there is no doubt that all the railroad employees feel that the Railroad Labor Board no longer serves their interests, and for that reason they are avoiding the taking of disputes to the Railroad Labor Board in every way possible. The railroads are not satisfied with the Labor Board either, because they are arranging company unions, and those company unions are bound not to take their disagreements to the Labor Board.

Mr. WALSH of Massachusetts. If both sides have lost confidence or faith in the board, why should it not be abolished?

Mr. DILL. I agree absolutely that it should be abolished.

Mr. WALSH of Massachusetts. I did not know but what we were meeting with the usual experience when a new board is created to regulate corporate interests. We start out very well and make laws that are favorable to both sides and protect the public interest, but ultimately the personnel of those regulatory bodies become prejudiced in favor of one side or the other and their usefulness is lost. I wanted to know if this was a repetition of the breakdown of all efforts to protect the public by regulatory methods because the appointing power has made up a personnel on the board that is prejudiced toward one side or the other?

Mr. DILL. That certainly is another illustration of the fact that these boards do not carry out the purpose of the law that created them. As I pointed out, if the board had taken into consideration the things that the law provides it should take into consideration in the fixing of the wages for these men, they could not by any possible juggling of figures have arrived at a wage of less than $75 a month for more than 200,000 of the most important men in the railroad industry. It has been

said that a chain is no stronger than its weakest link, and I say to you that railroad safety is no stronger and no greater than the railroad roadbed, the condition of which makes the passage of railroad trains safe or unsafe.

I plead not merely for the men and their families who receive these low wages, but I plead also, in the interest of every one of us who rides on the railroad trains of the country, that the men who keep the railroads in condition shall be paid wages high enough to make fit to work, instead of being worried, as they must be worried, by not knowing how they are going to pay for the food and clothing of their families at the end of each month.

It is not only unjust, but I think it is a disgrace that the Government should permit a board to continue to function when it fixes the wages of more than 200,000 of the employees of the railroads of the country at less than $75 a month. It is not an answer to say that many of them are foreigners. As I said a moment ago, we have shut out the inrush of foreigners to this country because we want to keep up the standard of living. By such wages as these we not only invite foreigners who have a standard of living so low that it is not in keeping with American standards, but we force our own citizens down to the standards that are compelled by a wage of $65 to $75 a month in times like these.

Mr. President, I shall not take more time now other than to say that I shall vote in favor of striking out the section providing for the salaries of the Labor Board, thus abolishing the board, because the railroads could not do worse for these men than the Railroad Labor Board has done. I want the Government to abolish a tribunal which forces such a low wage on 200,000 railroad employees that makes it impossible for them to maintain their families and thereby places the men in condition that keeps them unfit to keep the railroad roadbeds in safe condition for the trains.

CONSTITUTIONAL AMENDMENTS—CHANGE OF DATE OF INAUGURATION

Mr. ASHURST. Mr. President, for injecting a subject apparently not germane I make due apology to this body. Only the transcendent importance of the subject I am about to discuss prompts me to speak at this juncture.

SHORT SESSION OF CONGRESS UNNECESSARY

The Constitution of the United States—Article II, section 1—ordains that the President and Vice President shall hold office for the term of four years, but does not provide when the term shall commence. The only recognition of the 4th of March succeeding the day of a presidential election as the day of the commencement of the terms of the President and Vice President is the provision in the twelfth amendment to the Constitution, effective September 25, 1804, that—

> if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them before the 4th day of March next following, then the Vice President shall act as President, as in the case of the death or other constitutional disability of the President.

This would probably be construed to be a provision that the term of the President expired on the 4th of March after a presidential election—that a vacancy then exists—in which event the Vice President succeeded to the office.

The time when the presidential electors shall be elected and the date on which they shall meet and give their vote is, by Article II, section 1, of the Constitution, left to the discretion of Congress, with the restriction that the day of voting shall be the same throughout the United States. An act was passed February 3, 1887, requiring them to meet and give their votes on the second Monday in January next following their appointment, at such place in each State as the legislature thereof shall direct; which votes, duly certified to be delivered to the President of the Senate, shall be canvassed by Congress, in joint session, on the second Wednesday in February thereafter.

The Constitution, while providing that Representatives shall hold their offices for two years—Article I, section 2—and Senators for six years—Article I, section 3—does not provide when the terms shall commence.

The commencement of the terms of the first President and Vice President, and of the Senators and Representatives composing the first Congress, was fixed by a resolution of Congress adopted September 13, 1788, providing "that the first Wednesday in March next (which happened to be the 4th day of March) be the time for commencing proceedings under the Constitution."

Congress has provided—act of March 1, 1792, Revised Statutes, section 152—that the terms of the President and Vice President shall commence on the 4th day of March next succeeding the day on which the votes of the electors have been given, but there seems to be no statute enacted since the adoption of the Constitution fixing the commencement of the terms of Senators and Representatives.

Under the present law Congress does not convene in regular session until 13 months after the election of the Representatives. There was reason for such a provision at the time of the formation of our Federal Government, as it then took about three months to ascertain the result of elections and to reach the Capital from remote parts of the country. But now the most distant States are within a few days' travel of Washington.

Senators heretofore have been elected by the legislatures of the States in January, sometimes not until February or March. But since the adoption of the seventeenth amendment to the Constitution, by which Senators are elected by the people, usually at the November elections, it becomes opportune for Congress to convene in January following. The convening of Congress on the first Monday of December, as at present, is inopportune, as adjournment for the Christmas holidays is always taken and many Members go to their homes, which precludes any real work until January.

Congress should, at the earliest practicable date, enact within the scope of its powers under the Constitution the principles of the majority as expressed in the election of each Congress. That is why the Constitution requires the election of a new House of Representatives every two years. If it be not to reflect the sentiment of the people these frequent elections have no meaning nor purpose. Any evasion of this meaning is subversive of the fundamental principle of our Government, that the majority shall rule. No other nation has its legislative body convene so remotely after the expression of the people upon governmental questions.

During the campaign preceding a congressional election the questions that divide the political parties are discussed for the purpose of determining the policy of the Government and of crystallizing the sentiments of the majority into legislation. It seems to be trifling with the rights of the people when their mandates can not be obeyed within a reasonable time. It is unfair to an administration that the legislation which it thinks essential to the prosperity of the country should be so long deferred. It is true an extraordinary session may be called early in March, but such sessions are limited generally to one or two subjects, which of necessity wastes the time of each House, waiting for the other to consider and pass the measures.

At the present time the second regular session does not convene until after the election of the succeeding Congress. As an election often changes the political complexion of a Congress, under the present law we frequently have the injustice of a Congress that has been disapproved by the people enacting laws for the people opposed to their last expression. Such a condition does violence to the rights of the majority. A Member of the House of Representatives barely gets started in his work when the time arrives for renomination. He has accomplished nothing, and hence has made no record upon which to go before his party or his people. This is an injustice both to the Members and to the people. The record of a Representative should be completed before he asks an indorsement.

Under the present system a contest over a seat in the House of Representatives is seldom decided until more than half the term, and in many instances until a period of 22 months of the term have expired. For all that time the occupant of the seat draws the salary, and if his opponent be seated he also draws the salary for the full term; thus the Government pays twice for the representation from that district. But that is not the worst feature of the situation; during all of that time the district is being misrepresented, at least politically, in Congress.

An amendment should be adopted eliminating the short session of Congress. The short session is not a good institution. It has been the source of much criticism and ought to be abandoned. No vital governmental questions can be considered during a short session.

The President and Vice President should enter upon the performance of their respective duties as soon as the new Congress counts the electoral votes. It is the old Congress which now counts the electoral votes. It is dangerous to permit a defeated party to retain control of the machinery by which such important officers are declared elected.

If no candidate for President receives a majority of the electoral votes, the Constitution provides that the House of Representatives shall elect the President, each State having one vote. At the present time it is the old House of Representatives that elects the President under such contingency, and thereby it becomes possible for a political party repudiated by the people to elect a President. Under the present provision

of the Constitution, in the event the House fails to choose a President before the 4th of March, then the Vice President becomes President for four years. This affords a temptation by mere delay to defeat the will of the people, and if it is ever exercised it will lead to grave consequences.

It is true that January weather might be inclement for an inaugural parade, but that is a reason too insignificant to constitute an argument against a constitutional amendment which promises so much for good government. Nearly all the governors of States are inaugurated in January. The pomp and ceremony which usually attend the coronations of monarchs are at least not necessary to a republic.

TIME LIMIT UPON RATIFICATION

In my opinion, sound public policy requires that each amendment to the Constitution hereafter submitted should contain a limitation of the time within which the States may ratify the particular amendment, as was done in the eighteenth amendment by the following provision:

SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

It is startling to reflect upon the complexities that have come and that may come in the future by a continued failure to set a time limit within which a proposed amendment may be ratified.

Five different amendments proposed by the Congress are now pending before the States for their action. These amendments are as follows:

One, proposed September 15, 1789, 135 years ago, relating to enumeration and representation:

ARTICLE I. After the first enumeration required by the first article of the Constitution there shall be 1 Representative for every 30,000 until the number shall amount to 100, after which the proportion shall be so regulated by Congress that there shall be not less than 100 Representatives, nor less than 1 Representative for every 40,000 persons, *until the number of* Representatives shall amount to 200, after which the proportion shall be so regulated by Congress that there shall not be less than 200 Representatives nor more than 1 Representative for every 50,000 persons.

Another, proposed September 15, 1789, 135 years ago, relating to compensation of Members of Congress:

ART. II. No law varying the compensation for the services of the Senators and Representatives shall take effect until an election of Representatives shall have intervened.

Another, proposed May 1, 1810, 114 years ago, to prohibit citizens of the United States from accepting presents, pensions, or titles from princes or from foreign powers:

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever, from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.

Another, proposed March 2, 1861, 64 years ago, known as the Corwin amendment, prohibiting Congress from interfering with slavery within the States:

No amendment shall be made to the Constitution which will authorize or give to Congress the power to abolish or interfere, within any State, with the domestic institutions thereof, including that of persons held to labor or service by the laws of said State. (12 Stat. 251.)

And still another, proposed June 2, 1924, the child labor amendment:

SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

SEC. 2. The power of the several States is unimpaired by this article except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress.

On September 15, 1789, 12 constitutional amendments were proposed by the First Congress. The requisite number of States ratified proposed articles numbered 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 within exactly two years and three months, whilst Nos. 1 and 2, although proposed 135 years ago, have not, according to the latest available returns, received favorable action by the requisite number of States and are yet before the American people, or the States, rather, have been for 135 years and are now subject to ratification or rejection by the States. After those two proposed amendments, to wit, Nos. 1 and 2, had been in nubibus—"in the clouds"—for 84 years, the Ohio State Senate in 1873, in response to a tide of indignation that swept over the land in opposition to the so-called "back-salary grab," resurrected proposed amendment No. 2 and passed a resolution of ratification through the State senate. No criticism can be visited upon the Ohio Legislature that attempted to ratify the amendment proposed in 1789; and if the amendment had been freshly proposed by Congress at the time of the "back-salary grab," instead of having been drawn forth from musty tomes, where it had so long lain idle, stale, and dormant, other States doubtless would have ratified it during the period from 1873 to 1881.

Thus it would seem that a period of 135 years within which a State may act is altogether too long. We should not hand down to posterity a conglomerate mass of amendments floating around in a cloudy, nebulous haze, which a State here may resurrect and ratify and a State there may galvanize and ratify.

We ought to have homogeneous, steady, united exertion, and certainly we should have contemporaneous action with reference to proposed amendments. Judgment on the case should be rendered within the lifetime of those interested in bringing about the change in our fundamental law. Final action should be had while the discussions and arguments are within the remembrance of those who are called upon to act.

The amendment proposed on May 1, 1810, was submitted to the States under peculiar auspices.

It is probable that the Congress which submitted that amendment believed that when officials accept presents of value they dissolve the pearl of independence in the vinegar of obligation.

Unfortunately, the annals of Congress and contemporary newspapers do not give any of the debate upon this interesting proposition. The only light thrown upon the subject by the annals is the remark of Mr. Macon, who said "he considered the vote on this question as deciding whether or not we were to have members of the Legion of Honor in this country." What event connected with our diplomatic or political history suggested the need of such an amendment is not now apparent, but it is possible that the presence of Jerome Bonaparte in this country a few years previous, and his marriage to a Maryland lady, may have suggested this amendment.

An article in Niles's Register—volume 72, page 166—written many years after this event, refers to an amendment having been adopted to prevent any but native-born citizens from being President of the United States. This is, of course, a mistake, as the Constitution in its original form contained such a provision; but it may be possible that the circumstances referred to by the writer in Niles relate to the passage through Congress of this amendment. The article referred to maintains that at the time Jerome Bonaparte was in this country the Federalist Party, as a political trick, affecting to apprehend that Jerome might find his way to the Presidency through "French influence," proposed the amendment. The Federalists thought the Democrats would oppose the amendment as unnecessary, which would thus appear to the public as a further proof of their subserviency to French influence. The Democrats, to avoid this imputation, concluded to carry the amendment. "It can do no harm" was what reconciled all factions to the amendment.

That amendment was submitted by Congress 114 years ago, and it was ratified within two years by Maryland, Kentucky, Ohio, Delaware, Pennsylvania, New Jersey, Vermont, Tennessee, Georgia, North Carolina, Massachusetts, and New Hampshire. It was rejected by two or three of the States. At one period of our national life the histories and the public men announced that it was a part of our organic law, and this error arose because in the early days of our Government the Secretary of State did not send messages to Congress announcing ratification and did not promulgate any notice as to when an amendment became a part of the Constitution. I have caused the journals, records, and files in the Department of State to be searched, and there may not be found any notice of any proclamation of the ratification of the first 10 amendments to the Constitution. The States assumed—it was not an unwarranted or violent assumption—that when the requisite number of States had ratified an amendment it was then and there a part of our organic law.

On March 2, 1861, the Corwin amendment was proposed by Congress:

There are not 100 persons in the United States who know that such an amendment is now pending before the various States of the Union for their ratification. The amendment was ratified by the State of Ohio and by the State of Maryland through their legislatures and was attempted to be ratified by the State of Illinois in 1862 by a convention.

Thus we perceive that a system which permits of no limitation as to the time when an amendment may be voted upon by the State legislatures is not fair to posterity nor to the present generation. It keeps historians, publishers, and annalists, as well as the general public, constantly in doubt.

Having searched closely as to whether there is in the Constitution itself any expressed or implied limitation of time as to when an amendment may be adopted, I am, with all due deference to the opinion in Dillon *v.* Gloss (256 U. S. Rep., p. 368), driven irresistibly to the conclusion that an amendment to the Constitution, once having been duly proposed, although proposed as remotely as September 15, 1789, may not be recalled even by the unanimous vote of both Houses, if the Congress wished the same recalled, because the power to submit an amendment is specifically pointed out; but no power is given to recall the same, and silence is negation.

I am of opinion that a State which rejects a proposed amendment may, of course, at any time thereafter ratify the same, and a State which adopts or ratifies a proposed amendment may withdraw its ratification, provided it withdraws such ratification before the required number—that is, three-fourths of the States—shall have ratified.

BACK-TO-THE-PEOPLE AMENDMENT

Neither the legislatures of the various States nor conventions therein should be eligible to ratify proposed amendments to the Federal Constitution. The qualified electors themselves should be the only authority eligible to ratify proposed amendments to the Constitution of the United States.

Amendments have come by "amendment epochs." For all practical purposes the first 10 amendments—the Bill of Rights—will be herein considered as a part of the original Constitution. The eleventh and twelfth amendments were adopted in the 10-year period between 1794 and 1804; the eleventh was brought about by the decision of the Supreme Court (see Chisholm *v.* Geargio, 2 Dallas Rep.) which held that a State could be sued by an individual citizen of another State; the twelfth was brought about by the tie in the Electoral College between Thomas Jefferson and Aaron Burr. Call that the first amendment epoch. Then, notwithstanding that many score of amendments were introduced in Congress and two were submitted between 1804 and 1864, no amendment was adopted; thus there was a 60-year period of immobility with respect to amending our Federal Constitution.

Then came the second amendment epoch, which began in 1865 and lasted until 1870. In that five-year period the thirteenth, fourteenth, and fifteenth amendments were proposed and ratified.

Then came nearly 40 years of immobility, and then came the sixteenth, seventeenth, eighteenth, and nineteenth amendments—the third amendment epoch, 1909 to this date—showing that these amendments move in cycles.

The Federal Constitution conserves and protects all that Americans hold precious; it should not be changed by legislative caucus.

There is not a State in the Federal Union whose constitution may be amended by the State legislature. The State of Delaware is an apparent but not a real exception, as Delaware requires that an amendment to the State constitution must be proposed by at least two-thirds of one legislature, then there must be notice to the electors for a certain period before the next election, so that if they desire, they may express their will at the polls upon the proposition; then the same amendment must be ratified by a second legislature by a two-thirds vote, which gives the people an indirect vote.

Mr. BAYARD. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Arizona yield to the Senator from Delaware?

Mr. ASHURST. Having referred to the State of Delaware, it is my duty to yield to the Senator.

Mr. BAYARD. Mr. President, the same amendment must be ratified.

Mr. ASHURST. I am pleased to have that suggestion.

The various State constitutions may be amended only by the electorate of the State. How archaic, therefore, it is to deny the electorate an opportunity to express itself upon proposed changes in our fundamental law.

If the consent of the voters be required to alter and amend a State constitution, a fortiori, the vote of the people should be required to change the Federal Constitution.

It is vital to our American system that the voter should have an opportunity to say at the ballot box under what form of government he desires to live.

If we are not willing that the State legislatures should choose United States Senators, for a much stronger reason the State legislatures should not change our fundamental law.

Every argument in favor of the election of Senators by a direct vote of the people is a stronger argument in favor of consulting the people on constitutional amendments.

I favored the amendments providing for the income tax, direct election of Senators, prohibition, and woman suffrage. I believe they were wise amendments, and that they were in response to the deliberate judgment and progressive thought of a vast majority of our countrymen; indeed, I believe those amendments were demanded by the people and were not forced upon the people. It is my opinion that if a referendum to the people on the prohibition and woman-suffrage amendments could have been had, each amendment would have been adopted and ratified by the electors.

According to the data of the year 1919, the aggregate membership of the legislatures of the States is 7,403 members.

Thus a majority of the membership of the legislatures in three-fourths of the several States which would aggregate about 4,600 men—plus two-thirds of the 531 Members of Congress—being about 5,000 men in all, may and do propose and ratify amendments to the Federal Constitution.

Five thousand men could change the structure of our Government to any form their fancy suggested or that the lobbyist dictated, and the people would have no opportunity to defeat or reject the proposed amendments.

Our American system and public right should not be at the disposal of legislative caucuses but should be guarded by the free ballot of all the citizens.

Constitutional amendments should be ratified by the qualified electors in each State, and not by the legislatures of the States.

During the delivery of Mr. ASHURST's speech,

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Arizona yield to the Senator from New York?

Mr. COPELAND. I wish to ask a question at that point.

Mr. ASHURST. I yield.

Mr. COPELAND. The Senator is very kind, and my question shall be very short. Is it the Senator's proposal, then, to have just one session of Congress in each two years?

Mr. ASHURST. To have two sessions during each Congress.

Mr. COPELAND. And no longer to have a long and short session, as at present?

Mr. ASHURST. True. I welcome questions, but I can yield for no other question until I shall have finished. I do not wish the continuity of my remarks interrupted.

The PRESIDING OFFICER. The Senator from Arizona declines to yield further.

After the conclusion of Mr. ASHURST's speech,

Mr. KING. Mr. President, may I ask the Senator a question?

Mr. ASHURST. I yield with pleasure.

Mr. KING. I am not sure that I understood the Senator's reference to the Supreme Court and the decision with respect to the period with which ratifications may be made, and as to whether or not, after a State has rejected or ratified an amendment, it may reverse its course.

Mr. ASHURST. The learned Senator from Utah will pardon me if I make an extended reply.

Twelve amendments were submitted to the States on September 15, 1789. Within about two years 10 of these proposals were ratified by the requisite number of States and are now what we call the Bill of Rights in our Federal Constitution; but propositions Nos. 1 and 2 have not as yet been ratified by the requisite number of States to become a part of our Constitution.

The Supreme Court of the United States in Dillon *v.* Gloss (256 U. S., see pp. 368 et seq.) said, "We conclude that the fair inference or implication from Article V is that the ratification must be within some reasonable time after the proposal."

I beg pardon for making such an extensive reply, but I thought the importance of the question warranted it.

Mr. KING. Is it the Senator's opinion that only by constitutional amendment can we remove that doubt, or does Congress, in the Senator's opinion, have sufficient authority to apply the statute of limitation by legislative enactment?

Mr. ASHURST. In my opinion Congress has power to provide in any amendment it may submit that the same shall not be operative unless ratified within a time stated in the proposed amendment.

Mr. KING. Could that not be taken care of by an amendment to the Constitution providing that proposed amendments must be ratified within five years, or seven years, or whatever number of years we might designate?

Mr. ASHURST. Yes.

Mr. KING. One other question. I agree with the Senator with respect to the time when Congress should meet after the election. Does not the Senator think that we could change the time of meeting by statute, instead of waiting for the ratification of a constitutional amendment

Mr. ASHURST. Yes; but that would not eliminate the short session. What I seek to do is to eliminate the so-called short session. We hear a great deal about "lame ducks." In due season each one of us will be a "lame duck."

Mr. KING. Dead ducks, probably.

Mr. ASHURST. Soon or late we will all meet the same fate. A man who has been rejected, defeated at the polls, for five months make laws for a constituency that repudiated him. It is not fair to him, it is not fair to his constituents.

Human nature is the same in the Senate as it is anywhere else, and those Senators who make successes here are the ones who realize that there is just as much human nature here, as there is in the law office, on the ranch, on the engine, or in the counting house.

Mr. KING. Would not the purpose the Senator has in view be in part accomplished by the provisions of the bill which I offered in February, 1924, which read as follows:

That the first annual session of each Congress shall be upon the 6th day of April next following the election of such Congress; the second annual session of Congress shall be upon the 2d day of January next following; and the third annual session of the Seventieth Congress and of each alternate Congress thereafter shall be upon the 2d day of January next following the appointment of the electors of the President and the Vice President.

Mr. ASHURST. That that would be an improvement——

Mr. KING. It would not eliminate the short session?

Mr. ASHURST. It would not eliminate the so-called short session.

Mr. KING. The Senator will see that I fixed it so as to take effect after the Seventieth Congress, on the 2d day of January, so that there would be from November, the date of the election, until January. I sought by my bill to bridge that gap to which the Senator refers, and to accomplish the result without the emendation of the Constitution of the United States.

Mr. DILL. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from Washington?

Mr. ASHURST. I yield.

Mr. DILL. The Senator was speaking about "lame ducks." I think the Senator has never been a "lame duck" in his political career.

Mr. ASHURST. I will not take the plunge into that pond until I am required to do so.

Mr. DILL. I want to say to the Senator that I have been a "lame duck," and I know the difference between one's attitude after he has been defeated. I have been defeated and have come back for a short session, and I know the difference in the state of mind one has before and after the election. I want to say to the Senator that my experience is—and I think it is the experience of others—that one's interests are outside this body after his defeat, and while one tries, possibly, to vote honestly and fairly, he is thinking about how he is going to make a living and what he is going to do after the 4th of March, and not about further service to the people. I think this provision is about the most useless and most ridiculous part of the Constitution of the United States.

Mr. ASHURST. Most "lame ducks" adopt the philosophy of Andy Gump, who said, "I am tired saving the American Government. It can save itself. It can henceforth be ungrateful to some one else."

I did not intend to refer to the question of "lame ducks" today, because it is embarrassing to some of our associates. They are men of high character. But it is impossible to discuss this subject without referring to the obvious embarrassment of having Members help to make laws for five months after they have been repudiated, or, if not repudiated, men who of their own accord, their own inclination, lose interest in public questions.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 11505) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1926, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HOWELL] to strike out the appropriation for the Railroad Labor Board.

Mr. HOWELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Edge	King	Shipstead
Ball	Edwards	Ladd	Shortridge
Bayard	Fernald	Lenroot	Simmons
Bingham	Fess	McKellar	Smith
Borah	Fletcher	McKinley	Smoot
Brookhart	Frazier	McLean	Stanfield
Broussard	George	McNary	Stanley
Bruce	Glass	Metcalf	Sterling
Bursum	Gooding	Moses	Trammell
Butler	Hale	Norbeck	Underwood
Cameron	Harris	Norris	Walsh, Mass.
Capper	Harrison	Oddie	Walsh, Mont.
Caraway	Heflin	Overman	Warren
Copeland	Howell	Phipps	Watson
Couzens	Johnson, Minn.	Pittman	Wheeler
Curtis	Jones, N. Mex.	Ralston	Willis
Dale	Jones, Wash.	Ransdell	
Dial	Kendrick	Reed, Pa.	
Dill	Keyes	Sheppard	

The PRESIDING OFFICER (Mr. MOSES in the chair). Seventy-three Senators having answered to their names, a quorum is present. The question is upon agreeing to the amendment proposed by the Senator from Nebraska [Mr. HOWELL].

Mr. BRUCE. Mr. President, I simply desire to call the attention of the Senate to the precise nature of the pending amendment. The attendance in the Chamber has been a little thin, and I take it for granted that there are some Senators now present who are not familiar with the character of the amendment.

The amendment is nothing less than a proposition to abolish the Railroad Labor Board created by the transportation act of 1920. That may be a sound proposition or it may be an unsound proposition. I, for one, think it is a very unsound one, and when the time comes I think I shall be able to make good my conclusion in that respect. But I submit to the Senate that, no matter what the merits or demerits of the amendment may be, this is not the time to consider an effort to repeal the provisions of the transportation act creating the Railroad Labor Board.

Allow me to call the attention of the Senate to the fact that the same proposition is contained in a bill known as the Howell-Barkley bill, which has been pending in the House ever since the last session of Congress, and which has never made any headway there, as I understand it, certainly never any real headway. Let me also call attention to the fact that this bill is pending in the Senate also, and apparently has made no headway here either.

A proposition of such gravity as one to repeal the provisions of the transportation act relating to the Railroad Labor Board should come up in the regular way. If the Senator from Nebraska desires to press the object of his amendment, let him press it in the form of his own bill, which is now pending in this body, to say nothing of the same bill pending, as I understand it, in the House.

Mr. HOWELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Nebraska?

Mr. BRUCE. Certainly.

Mr. HOWELL. Is it not a fact that the importance of the bill has not been recognized by making it a part of the program of the Senate?

Mr. BRUCE. It has probably not been made a part of the program of the Senate, because, in the opinion of the Republican majority, it was not deemed of sufficient importance to be made a part of that program.

Mr. HOWELL. Then it is the Senator's understanding that it is because the Republican majority in the Senate does not want to pass the bill?

Mr. BRUCE. No; I think that the same state of sentiment exists on the other side of the Chamber.

Mr. HOWELL. In other words, the Senator thinks the Democratic Party is against it also?

Mr. BRUCE. I believe that a majority of the Senate is opposed to the abolition of the Railroad Labor Board, but that remains to be seen.

Mr. WATSON. Mr. President, will the Senator from Maryland permit an interruption?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Indiana?

Mr. BRUCE. With pleasure.

Mr. WATSON. It is the province of the steering committee, I will say to my friend from Nebraska, to arrange the program

of the bills that have been reported from the committees. It is not the province of the steering committee to go about among the various committees and get legislation reported out. Is the Senator's bill now on the calendar?

Mr. HOWELL. It has been on the calendar for several months.

Mr. WATSON. The Senator's bill was considered in the committee, but my understanding is that it was not thought that there was time at this session to pass the bill. It would entail almost endless debate, involving the whole railroad situation, involving the very important features of the Esch-Cummins Transportation Act; and, in fact, the whole question of wages and the control of strikes and all of the relevant questions relating to the railroad situation. Therefore I think very wisely the steering committee, although I am not a member of it, concluded that it was not a safe proposition, because we must adjourn on the 4th of March, to thrust ourselves into that controversy at this session.

Mr. HOWELL. But is it not a fact that it is of tremendous importance, and yet the steering committee has not placed it upon the program?

Mr. BRUCE. Mr. President, I am not in the least interested in the steering committee of the Republican Party in the Senate. That is a steering apparatus over which I, as one of the Democrats of this body, have no control. Any difficulties between the Senator from Nebraska and the Republican steering committee will have to be settled between the Senator and that committee. The point I am making is that the Howell-Barkley bill which provides for the abolition of the Railroad Labor Board is now pending in this body and I take it for granted that when it comes up for consideration its merits and demerits will be most exhaustively discussed, because that bill unquestionably is one of the most important bills that has been introduced into the Senate during this session of Congress. In point of fact its merits and demerits have been most thoroughly discussed in the House.

I say that this is no time for taking up the proposition. Here is an effort to present the Howell-Barkley bill, which was introduced into this body, to the Senate anew in the form of an amendment to an appropriation bill. I am not prepared to say that it is foreign in its nature to the bill, but certainly it is not possible for a measure of such great significance, as the Senator from Indiana has justly termed it, to be properly considered when it comes up in such a manner.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Nevada?

Mr. BRUCE. I yield.

Mr. PITTMAN. I agree with the Senator from Maryland to the extent that it is unfortunate to try this question by simply striking out the provision which it is proposed to strike out. It would be very much better if the question were whether the President's Railroad Labor Board were better or the substitute for it were better. They are both here. While this is an appropriation bill and the amendment is subject to a point of order, it is apparent that the Senator wants to discuss the question as to the board, so I ask unanimous consent that the Senator from Nebraska be permitted to offer his bill as a substitute for the pending amendment.

Mr. BRUCE. I object to that.

Mr. WARREN. No, Mr. President; I can not consent to that.

Mr. BRUCE. It is impossible to get unanimous consent because I object for the reasons that I have already urged.

Mr. WARREN. The duty of the Appropriations Committee is to appropriate money under the laws as they exist, and not to make the laws and appropriate for them at the same time. The provision under discussion is merely carrying out the law as it now exists and paying the salaries of the men appointed duly under the law. The motion to strike out that provision is simply a roundabout way to undertake through an appropriation bill to accomplish something that the Senator is unable to accomplish in any other way.

Mr. BRUCE. That is just the point I was endeavoring feebly to make. Were the suggestion of the Senator from Nevada [Mr. PITTMAN] heeded and the Howell-Barkley bill brought up for discussion, my own opinion is that not less than a week at any rate would be consumed in discussing it. It is a bill, as I have said, of great importance. There is no question about that. And it is a bill that involves the very widest difference of opinion. The Senator from Nebraska can not possibly be more strongly impressed with what he conceives to be the merits of his bill than I am with what I conceive to be its demerits. I think that the Senator from Indiana will bear me out when I say that at least a week would be necessary for its proper discussion. In point of fact, I think that in the House they consumed not only a week, but several weeks in discussing it, though I do not pretend to speak with exactitude about that. I am not going into the merits of the Howell-Barkley bill except to say that I differ completely from the Senator from Nebraska in the views that I entertain about its benefits. I admit that there is a certain amount of discontent with its workings in labor circles. That is undeniable. I admit that there is a certain amount of discontent too, with its workings in railroad managerial circles. That is naturally to be expected. But the very fact that dissatisfaction exists in both of those two opposite quarters is to my mind the best illustration of the fact that the Labor Board is performing its functions justly, honestly, and impartially.

Of the supreme importance of the object of the Railroad Labor Board law it is unnecessary to speak. It is to make the public, the general public, a party to railroad labor controversies as well as railroad company and the railroad workers. The effect of the amendment proposed by the Senator from Nebraska would be to eliminate the public altogether as a party to labor disputes, as I see it.

In other words, again the capitalist and the laborer would have each other off in a corner, conferring and negotiating more or less in secrecy, and finally, when they found themselves unable to agree, in many cases there would be no recourse or it would be felt by the railway worker that there was no recourse except to institute a strike.

The Senator, as I see it, contemplates a backward step; that is, to go back to the old Erdman and Newlands Act, the futility of which was demonstrated over and over again. The merits of the railroad labor provisions in the transportation act consist in the fact that for the first time they created a state of things under which, when there is a controversy between the railroad managers and the railroad workers, public opinion can step in and assert itself and take care that when the settlement comes not simply the interests of the members of those two classes, but the interests of the general public as well are subserved.

The Senator from Nebraska said something about the great delays of the Railroad Labor Board. I merely turn for one moment to the testimony of Mr. Hooper, the head of the board, as to the amount of business that has been disposed of by it. His statement was made before the Interstate Commerce Committee on April 4, 1924. He said:

> From April 15, 1920, to April 1, 1924, 12,543 disputed questions were referred to the Railroad Labor Board. Of these, 11,228 have been disposed of.

That is to say, on April 1, 1924.

> Of the total number of disputes, 865 did not reach the status of regularly docketed cases. The cases regularly docketed, as in court, number 11,678. Of these, 10,430 have been disposed of.

I see no evidence of congestion there worth speaking of, no congestion except such as attends the working even of an ordinary court, nor any suggestion of delay or neglect of duty or inefficiency or incompetency upon the part of the Railroad Labor Board. It seems to me that it is very well up with its docket and that it is functioning with remarkable success, so far as the mere matter of delay is concerned.

The Senator from Nebraska says also that in the last year there has been a notable falling off of cases before the board, and that none now but comparatively unimportant cases come up before it. That, to my mind, furnishes another proof of the efficiency with which the board is operating. It has handled the larger questions that have been intrusted to its jurisdiction with so much success and with such a high degree of finality that now in the main nothing except the smaller disputes, the pettier controversies, involving often merely the grievances of a single individual, come before it; in other words, the first agitation and discontent that were awakened by the workings of this new board are passing away. The laboring people and the railroad managers are becoming accustomed to its operation and are more and more disposed to acquiesce in its jurisdiction and authority, and yet this is the time that is selected for the presentation of the pending amendment to the Senate.

The Senator from Washington [Mr. DILL] seems to be disposed to complain because the maintenance-of-way employees of the railroads are not obtaining as large wages as they should obtain. The Railroad Labor Board has no final authority to fix the wages of anybody; it has no mandatory jurisdiction; it is not clothed with any punitive power of any sort whatsoever. All that it has the right to do is to pass on a labor controversy as to whether wages or working condi-

tions are proper wages or working conditions or not, and to express its opinion about the matter, and then if the railroad managers or the railroad employees do not choose to abide by its decision they need not do so. But here is where the rub comes. When that board, which, mind you, is composed partly of representatives of labor and partly of representatives of the railroad corporations, as well as representatives of the public, reaches a conclusion in the open light of day, after the fullest hearing accorded to everybody concerned, unless there is some good reason for impeaching its conclusions as being an unfair or unwise conclusion, that conclusion has a moral authority that makes both the railroad managers and the railroad workers slow to disregard it.

If I were disposed to make any change in the provisions of the transportation act in connection with the Railroad Labor Board, I should do away altogether with the class elements that now enter into its composition. I should have the board made up without regard to any representation of labor or capital; I should have it constituted simply of good, honest, intelligent, capable men such as we have been so fortunate as to have, as a rule, for many years on the Interstate Commerce Commission.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me?

Mr. BRUCE. Let me proceed for just a moment.

If that method of representation, however, shall not be adopted, if the feature of class representation shall not be stricken out altogether from the organization of the board, then I would have the public representation increased. I would have three representatives of labor, three representatives of the railway managers, and six representatives of the public, because, after all, though I am sure I am announcing an old American doctrine that is more or less obsolete, the welfare of all classes of every sort must yield to the supreme welfare of the whole mass of the people.

Just look at the results of the present system as compared with the old system or utter lack of system. If I am not mistaken, there have been no railroad strikes since the Railroad Labor Board was created, except the strike of the shopcraft employees and a few other minor strikes; and that has been due more than to anything else to the fact that, through the instrumentality of the Railroad Labor Board, public opinion is for the first time enabled to make its influence truly felt in labor conflicts and to ratify conclusions that can not be disregarded or defied lightly by railway managers or workers.

But, Mr. President, I have been drawn entirely beyond my anticipation into a much too ample discussion of this question. I end by repeating what I said when I began that, assuming that the purpose which underlies this amendment is a meritorious one, yet this is not the time to urge it.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BRUCE. I ask the Senator to excuse me for not yielding to him sooner; I had forgotten that he desired to interrupt me. Certainly, I yield.

Mr. SHIPSTEAD. I do not want to misunderstand the Senator. I thought the Senator said that if he could have his way he would wipe out the Labor Board and would appoint a board of honest, efficient, and intelligent men.

Mr. BRUCE. I meant that if I could have my way I would eliminate the feature of class representation altogether from the Railroad Labor Board; that is, if I made any change at all. Personally I do not think that there is need for any change at the present time; I prefer just now to have the board constituted as it is constituted, but were my mind to give its approval to any change, it would be a change in the direction of having no class representation of any kind, whether as respects labor or as respects capital. I would make up the board exactly as the Interstate Commerce Commission is made up, without reference to any class of individuals, and, if I did not do that, as I have said, I would simply increase the representation of the public on it.

As I understand it, the class features of the board's composition have not proved satisfactory in its actual workings. The representatives on the board of the railway managements naturally, of course, have the corporate bias very strongly, and the representatives on it of labor naturally, too, have the labor bias very strongly. I do not wish to speak hastily, but I doubt whether there are many instances where a conclusion has ever been reached by the Railroad Labor Board in which the labor representatives have not pursued the line of their bias and the representatives of the railroad managements have not pursued the line of their bias. But associated with both are the representatives of the public, and they have an opportunity, of course, to hear what the labor representatives have to say and what the railway management representatives have to say, and to strike a fair and just balance. That fact can not be too much emphasized.

Mr. SHIPSTEAD. Does the Senator mean to say that he believes that a group of men appointed for the purpose of representing the public would be more unprejudiced and unbiased and would possess more judicial minds in the settlement of a controversy?

Mr. BRUCE. I think so, I will say to the Senator. For instance, compare the workings of an ordinary board of arbitrators with the workings of a court. The one idea of the court is to get at correct results absolutely without reference to any partisan object of any sort or to the personal claims that any individual interested in the controversy may have on the court; but the Senator knows, if he has ever had any experience with arbitrations, that that is not the way that an arbitration works. One arbitrator sits as the representative of one party to the controversy, another arbitrator sits as the representative of the other party, and the only hope of getting any really just, fair, and impartial decision is in the umpire whom the two arbitrators select.

Mr. SHIPSTEAD. Mr. President, under the provisions of the transportation act does the Senator believe that the representatives of the public appointed to the Labor Board were intended to act as a kind of arbitration board between the representatives of the railroad workers and the representatives of the railroad owners?

Mr. BRUCE. I think that they are there to see that both the railroad workers and the railroad managers receive fair and just treatment and that no conflict of interest between them shall prejudice the interests of the mass of the American citizens.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. BRUCE. Certainly.

Mr. WATSON. When the Esch-Cummins Act passed the Senate, it carried a provision for a Railroad Labor Board composed of five members, all to be appointed by the President and all representing the general public. The House changed the provision to its present form, so as to have three representing capital, three representing labor, and three representing the general public. For a time, until they became adjusted to the new situation and their new positions, the result was to have six advocates and three judges on the jury; but, in the course of events, after they became accustomed to the situation, they have decided their cases as a rule by six to three—that is, the representatives of the public would agree sometimes with the managerial class and sometimes with the labor representatives. The system up to the present time has worked so satisfactorily that we are compelled to say that nothing better can be devised, and, at all events, it has worked sufficiently well that it ought not to be attacked in a backdoor way for the purpose of destroying it at this time; but if it be changed, it ought to be changed in the open by a measure introduced for that purpose, fully discussed and fairly considered by both branches of Congress.

Mr. BRUCE. And such a bill is now pending.

Mr. WATSON. Yes.

Mr. BRUCE. Mr. President, in conclusion, let me say that it is interesting to observe, despite what the Senator from Nebraska says, the increasing disposition of both the railroad managers and the railroad workers to acquiesce in the jurisdiction of the Labor Board. We all know that on some occasions railroads, such as the Pennsylvania Railroad, the Erie Railroad, and the Chicago & Alton Railroad, have disregarded the authority of the Labor Board, and have been quite severely criticized for doing so, but the disposition of the railroad managers to ignore that authority is, it seems to me, steadily diminishing as time goes on. The Railroad Labor Board, so far as the railroad managements are concerned, is operating more and more smoothly, and it appears to me that the same thing can be said so far as the railway workers are concerned.

Mr. Hooper called attention to the fact that since the Railroad Labor Board was created, with one exception, there has not been a single, solitary, illegal strike in the United States. That was the strike of some of the men on the Virginian Railway. In other words, the few railway workers who have struck at all have heeded the requirements of the law before they have done what they had a right to do; that is, to strike.

I thank the Senator from Indiana for the extent to which his own personal familiarity with the operation of the transportation act has shed light upon what I was endeavoring to illuminate.

Mr. SHIPSTEAD. Mr. President, may I ask the Senator what he means by an illegal strike?

Mr. BRUCE. Under the transportation act, where there is a dispute between the railway workers and the railway

managers, they must confer and make an effort to negotiate successfully with each other. They are bound to do that, as a matter of legal obligation; and if they can not agree, then they must come and lay their controversy before the Railroad Board. When they lay it before the board, and it reaches a conclusion, after a hearing, neither of the parties to the controversy is bound by that conclusion. Either, if it sees fit to do so, may disregard it. The worker may go off and have his strike, or the railway management may be equally as contumacious; but do you not see that if either party refuses to be bound by the decision of the Labor Board, public opinion is in a position most effectively to bring itself to bear upon the controversy. Neither railway management nor the railway worker, of course, is inclined to incur the penalties of public opinion, because in the final analysis everything under our free institutions resolves itself into public opinion. It ultimately not only sways the railway worker and the railway manager but the Railroad Labor Board and this body and the body at the southern wing of this Capitol.

Mr. SHIPSTEAD. Mr. President, I should like to ask the Senator from Maryland another question, if I may.

Mr. BRUCE. Yes; certainly.

Mr. SHIPSTEAD. I have in my hand the answer filed in the United States District Court for the Northern District of Illinois, Eastern Division, in the case of the Railroad Labor Board, petitioner, against J. McGuire, respondent; and in the exhibits that were submitted I find numerous quotations from speeches and articles written for many papers in the United States by Mr. Hooper, of the Labor Board, who was appointed to represent the public, on the assumption that a man representing the public would be neutral and have a judicial mind in controversies that came before the board. Upon reading these exhibits I find that Mr. Hooper apparently has spent a good deal of time writing articles for magazines and newspapers and making speeches and addresses before various organizations in the United States; and the essence of these remarks and these articles seems to be a constant attack upon the motives and the good faith of the organizations of working men who operate the railroads. I am sure that if the Senator from Maryland would read these exhibits he would come to the same conclusion. Assuming that conclusion to be correct, does the Senator from Maryland believe that a member of a labor board showing these prejudices and biases is a fit member, for instance, to sit upon a board and carry out the provisions and the spirit of the section of the transportation act providing for the establishment of a Labor Board?

Mr. BRUCE. If I thought that the head of the Railroad Labor Board or of any administrative board in the province of the Federal administration or in the province of State administration had a bias against organized labor, I should be among the very first to ask the President or the governor of the State to remove him. No man who has any sense of public responsibility or any breadth of view would allow, in his public relations, any prepossession against organized labor to influence him in the discharge of his duty; and I do not see any evidence of such a bias on the part of Mr. Hooper in anything that has proceeded from his pen or from his lips that I have read. On the contrary, I think, so far as my observation has gone, that under circumstances of the greatest difficulty he has maintained the balance between the railway management and the railway workers with a remarkable degree of success—so much success that I hope I may be allowed to turn to testimony that was taken at the last session of the Senate before the Interstate Commerce Committee, and read this statement which appeared in the Railway Clerks' Magazine with regard to the practical workings of the board. An editorial in that magazine says:

> The board has become a deterrent to the natural economic power of an organized group of workers. It has at all times acted as a deterrent against hard-boiled managers, to the advantage of the workers.

The Senator certainly can not quarrel with Mr. Hooper because, as the chairman of a new board, he thought it was his duty to move about the United States a little and try to inform the public mind as to what the real purposes of the Railroad Labor Board law were, and to explain its practical workings and the merits of the jurisdiction and authority of the board.

Unless the Senator has something else to ask me, I am through.

Mr. SHIPSTEAD. I should like to read part of a speech that was delivered by Mr. Hooper to the Tennessee Manufacturers' Association at the Hermitage Hotel, Nashville, Tenn., on February 6, 1923. This is a sample of a great many other utterances that he has been making all over the country. He says:

> The demand is made that the courts should be deprived of the injunctive powers exercised in connection with strikes or that those powers should be greatly limited. Any man who will look this demand squarely in the eyes knows that it has but one meaning. It means that the labor leaders who espouse it desire that strikers and their coadjutors shall possess the unfettered license to destroy property and to intimidate and assault those who exercise the right to do the work that the strikers have abandoned.

Mr. BRUCE. Of course, Mr. Hooper does not stand alone in believing, however unwarrantably, that those results would follow in case organized laborers were freed from the application of the process of injunction to which all other citizens are liable. I imagine that there are very few men who have given much thought to the subject who do not believe that the total abolition of the process of injunction in labor disputes would lead to very unfortunate results, even though not so aggravated as are sometimes pictured. The Senator may not be one of them.

Mr. SHIPSTEAD. I know that the Senator from Maryland is very familiar with the history of the issuance of injunctions.

Mr. BRUCE. Yes; I have had a good deal to do with injunctions.

Mr. SHIPSTEAD. And I am sure that the Senator also knows that it was not until 1888 that any State court in the United States found it within its conscience to issue an injunction in a labor dispute; that up until that time all questions in dispute between capital and labor had been settled in courts of law instead of in courts of equity; that personal relations between man and man had always been settled in courts of law up until that time; and it was not until 1894 that a Federal court found that its conscience permitted it to take jurisdiction in a controversy between capital and labor. Bearing that in mind and bearing in mind what the injunction was originally intended to be used for—only for the purpose of protecting property when there was no adequate remedy at law—and bearing in mind that since 1894 American courts have gradually arrogated to themselves more and more power under the power conferred upon them by the Constitution to sit as courts of equity, until they now issue injunctions not only where there is no adequate remedy at law, but issue them almost promiscuously, as though they had made up their minds that there was no better remedy in the law than the issuance of an injunction—bearing these things in mind, does the Senator mean to say, because some one expresses an opinion that they have gone too far in the direction of arrogating to themselves the jurisdiction of courts of law while they sit as courts of equity, that that opinion can be said to go so far as to imply that a man agrees that laboring men should have the right to destroy property, or that any one else should have the right to destroy property?

Mr. BRUCE. I am afraid the Senator is leading me rather far afield now. Of course I think that the process of injunction in labor disputes, as in other disputes, ought to be most carefully safeguarded, and I am sure that the Senator could not condemn any abuse of the process in such disputes any more sternly than I am disposed to do; but I am not willing to dispense with the process of injunction in labor disputes or in any other kindred disputes. If you dispense with the process of injunction in labor disputes in the case of a very aggravated strike, involving a great deal of lawlessness, I do not know to what you could resort to uphold law and maintain social peace except the billy of the policeman or the bayonet of the soldier, and surely none of us want to resort to either of those instrumentalities. I am subject to the process of injunction at any moment on the complaint of any citizen. The Senator is subject to it at any moment. Why should not the railway worker or the railway manager or anybody else be subject to it, too?

Mr. SHIPSTEAD. Only where there is no adequate remedy at law.

Mr. STERLING. Mr. President, may I not ask the Senator from Maryland if that is not a relief afforded not merely since 1894 but almost from time immemorial—the relief in equity where the law did not furnish an adequate remedy?

Mr. BRUCE. Now, that my character as a historian has recently been so gravely impeached, I do not want to be too confident; but I suspect you will find that the process of injunction runs far back into early English legal history.

Mr. SHIPSTEAD. I will quote further from this speech of Mr. Hooper:

> It means that the courts of our land must stand shackled and gagged in the presence of insolent and triumphant force.

Of course, he is talking about railroad labor organizations—these men dressed in overalls who carry the trains by night and by day, as Kipling says in his poem of the Sons of Mary and the Sons of Martha, that they stand guard in the night, in the snow and in the storm, that the days of the Sons of Mary may be long in the land. That is the group of men that he refers to as an insolent and triumphant force, and this man sits on the Labor Board ostensibly for the purpose of representing the unbiased and unprejudiced public.

He goes on to say:

It means that the strongest safeguard of life, liberty, and property known to our Republic must be broken down in order that the onrush of the frenzied mob may not be obstructed.

Mr. BRUCE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Maryland?

Mr. SHIPSTEAD. I do.

Mr. BRUCE. Assuming that is all so, does not the Senator think that the proper remedy would be to remove Mr. Hooper, and not to abolish the Railroad Labor Board?

Mr. SHIPSTEAD. This amendment, if adopted, will eliminate the board for all practical purposes. The Senator brought up the question of the Labor Board, and their fairness in decisions and their handling of these controversies arising between the railroad owners and the railroad workers. I assume the Senator did that in good faith, and so I want to enlighten the Senator as to the point of view held by some of these men sitting in judicial positions in the settlement of these controversies.

Mr. Hooper said further:

It means that the strongest safeguard of life, liberty, and property known to our Republic must be broken down in order that the onrush of the frenzied mob may not be obstructed.

The Senator from Maryland said something about the right of public opinion to be felt in these decisions. Of course, it depends a great deal upon what is meant by public opinion and whose public opinion it is. The chairman of the Labor Board seems to feel that it is part of his duty to mold that opinion as one holding a judicial position, to go out upon the highways and byways and mold public opinion against the railroad workers, who are parties in the controversy that comes before his tribunal for settlement.

In view of all of this testimony which has been introduced, which I will not take the time to read, I shall ask to have certain things printed in the RECORD. Here, for instance, is a letter to the President of the United States, dated April 6, 1923, enumerating the grievances held by these men who have felt it necessary to appear before the board with their grievances, and who have not been given a square deal, due to the prejudice and the bias of some of the members of the Labor Board.

I ask that the letter to the President, signed by the various organizations, dated April 6, 1923, may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 6, 1923.

The PRESIDENT,
White House.

MR. PRESIDENT: Most respectfully and only after mature deliberation we offer for your consideration the totally unwarranted attempt being made by Chairman Ben W. Hooper, of the United States Railroad Labor Board, to convince the people that organized labor, and particularly organized railroad labor, is engaged in a campaign having for its purpose—

(1) The establishment of Government ownership of railways by means of unfair methods on the part of the employees.

(2) The subordination of the judicial to the legislative branch of the Government and the emasculation of the written Constitution, to the end that strikers and their coadjutors shall possess the unfettered license to destroy property and to intimidate and assault those who exercise the right to do the work that the strikers have abandoned.

(3) The conversion of the Republic into some sort of a socialistic or communistic government or dictatorship of the proletariat, with the natural consequence of the abolition of private property, the family, and the state.

In support of the charge that Chairman Hooper is engaged in such an attempt, we respectfully offer the following:

Extract from an article entitled "Strikes, by Ben W. Hooper, Chairman United States Railroad Labor Board," appearing in the October 14, 1922, issue of the Saturday Evening Post:

"* * * The employees demand the unhampered right to tie up the railroads whenever they consider it to their own interest. The basic reason of this is twofold: First, because they believe that their absolute power to throttle traffic will get them more than arbitration will; and second, because the majority of them are advocates of Government ownership, and they believe that their unrestricted power to strike will soon force a discouraged and disgruntled public to adopt Government ownership. Their first conclusion is erroneous. Arbitration or adjudication of their controversies will net them more cash and comfort than the use of economic pressure will. Their second conclusion is correct. The surest way to bring about public ownership is to demonstrate the inability of the carriers and the Government to save the public from the unbearable harassment of periodical strikes."

Extract from speech of Hon. Ben W. Hooper, chairman of the United States Railroad Labor Board, at the banquet of the Illinois State Bar Association, held in honor of the Supreme Court of the State of Illinois, Saturday evening, December 2, 1922, at the Drake Hotel, Chicago:

"Another doctrine to which the leadership and publications of the railroad labor organizations are thoroughly committed is the Plumb plan of railroad operation, which is Government ownership with private operation, in which employees shall participate managerially and share profits financially. If there should be losses instead of profits, the owners—that is, the people—would dig up taxes to pay the deficit. Whether the experience of other countries such, for example, as Italy, which is just now trying to unload Government operation, will serve to modify the views of the advocates of similar schemes in this country remains to be seen. I mention the matter of Government ownership of railways, not for the purpose of discussing it now but to use it as a key to the explanation of certain other conditions existent among railway employees. One of those is the prevailing unrest among nearly all classes of railway employees and their pronounced antagonism to the railroads for which they work. A large portion of the employees' magazines which pass over my desk contain bitter attacks on the railroads, their managements, and their policies. These criticisms are not confined to matters of direct controversy between the railways and the employees, but they cover every ground of attack that might be made by those outside of railroad employment. Nothing is left unsaid that seems to be calculated to stir up hatred among the employees and distrust and hostility among the people. It is quite remarkable to see the employees of an industry waging war upon that industry with the unquestioned purpose of destroying it. That this policy reacts detrimentally to the morale of the employees and detracts from successful operation is beyond dispute. It has its origin in the fact that the leaders of the employees are conducting a political campaign for Government ownership, which is ofttimes inconsistent with their loyalty to the carriers.

"This fact, coupled with one other, also accounts for the strenuous opposition of many of the employees to the transportation act, 1920, and the Railroad Labor Board. They feel that the successful adjustment of wages and working conditions and the gradual but certain reduction of freight rates under that statute will conduce to the postponement or prevention of Government ownership of the roads.

"A remarkably frank statement of this attitude is printed in display type in the Brotherhood of Locomotive Engineers' Journal for November. The salient paragraphs read as follows:

"'Let us face the railroad problem honestly. We shall continue to have freight tie-ups, labor trouble, inefficient service, overvaluation, and "inside" contract scandals so long as the railroads of this country are operated for private profit and not primarily for public service. The railroads, like the dirt roads, must belong to the people. The workers themselves possess the technical brains, devotion to duty, and loyalty to the public weal requisite for the efficient operation of the railways. Give them a chance. The Plumb plan shows the way. Must the railway employees and the people of the United States suffer another railroad strike, perhaps far more serious than the last, in order to impress this truth upon them? The Plumb plan is our only hope. Either that or chaos.'

"Whether this statement is a mere opinionative prediction of probable developments in connection with railway operation, or whether it is a covert threat that strikes of increasing seriousness will be superinduced unless and until the employees are given a chance to try their hands at managing the roads, you may draw your own inference. In either aspect of the matter it is a deliberate and illuminating declaration of the state of mind of those in charge of one of the strongest transportation brotherhoods."

Extract from an article entitled "Radicalism versus Government, By Ben W. Hooper, Chairman United States Railroad Labor Board, appearing in the March, 1923, issue of The North American Review":

"* * * The fact remains that the leaders of a large majority of their organizations have launched an aggressive campaign for Government ownership, and they are utilizing their official magazines for spreading propaganda to this end. A typical utterance on this subject is embraced in the following excerpt from a recent issue

of the Journal of the Brotherhood of Locomotive Engineers, where it was printed in display type:

"'Let us face the railroad problem honestly. We shall continue to have freight tie-ups, labor trouble, inefficient service, overvaluation, and inside contract scandals so long as the railroads of this country are operated for private profit and not primarily for public service. The railroads, like the dirt roads, must belong to the people. The workers themselves possess the technical brains, devotion to duty, and loyalty to the public weal requisite for the efficient operation of the railways. Give them a chance. The Plumb plan shows the way. Must the railway employees and the people of the United States suffer another railroad strike, perhaps far more serious than the last one, to impress this truth upon them? The Plumb plan is our only hope. Either that or chaos.'

"Government ownership of railways, however, is not expected to be achieved at any early date by discussion and agitation, based on present conditions. Certain intermediate developments must be brought about, which will so discourage and disgust the public with private ownership and operation as to incite a popular clamor for Government ownership. The above quotation from the Engineers' Journal furnishes the key to the situation: First, a taste of chaos, and then the joyful acceptance of Government ownership."

The same statement was printed in an item entitled "The Issue of Radicalism versus Government—Describing the campaign now being conducted against the courts by various railway labor leaders, by Ben W. Hooper, chairman United States Railroad Labor Board," appearing in the March 17, 1923, issue of the railway Age.

Extracts from an article entitled "Radicalism versus Government," by Ben W. Hooper, chairman United States Railroad Labor Board, appearing in the March, 1923, issue of The North American Review:

"* * * The demand is made that the courts should be deprived of the injunctive powers exercised in connection with strikes, or that those powers should be greatly limited. Any man who will look this demand squarely in the eyes knows that it has but one meaning. It means that the labor leaders who espouse it desire that strikers and their coadjutors shall possess the unfettered license to destroy property and to intimidate and assault those who exercise the right to do the work that the strikers have abandoned. It means that the courts of our land must stand shackled and gagged in the presence of insolent and triumphant force. It means that the strongest safeguard of life, liberty, and property known to our Republic must be broken down in order that the onrush of the frenzied mob may not be obstructed.

"The injunctive power is not an instrument of oppression. Not often has it been perverted from its proper use. In tens of thousands of instances it has protected the weak against the mighty, the law-abiding against the lawless, the peaceable against the violent. Nothing is to be gained by mincing words in the discussion of this question. The people of this country know that the economic power of the strike degenerates nine times out of ten into crude, raw, naked, hideous physical force. Because this is true almost without exception in big strikes, it must be anticipated by those who order strikes. Indeed, it is known that only in rare instances can a strike succeed without the accompaniment of violence.

The recent railroad strike manifested practically all the phases of civil warfare. The new workers were besieged inside their stockades. The blockade of shipments of all sorts of commodities was attempted. Bombs were thrown for the destruction of men and property. Murders and assaults were committed. Then, when the Attorney General, after infinite patience and the careful gathering of evidence, resorted to the courts for the defense of the lives of workers and the preservation of the public utility upon which the people at large must depend for food and fuel, there arose a demagogical outcry against the courts, the Department of Justice, and the power of injunction.

"This, however, is not an isolated political phenomenon. It is only one incident in the steady campaign of vituperation and abuse that is being promiscuously waged against the courts of the land in support of the definite program above mentioned. By far the most alarming feature of radicalism in this country to-day is the persistent, systematic, widespread effort to destroy the confidence of the people in the courts. The extent to which this is being carried on can be realized only by those who read the radical publications.

"A few quotations taken at random, from a small number of publications, illustrate the war that is being made on the courts, the State militia, the police and other agencies of law and order by leaders of even conservative organizations. One or two of these excerpts also express the prevailing sentiment in regard to the man who takes up the work laid down by a striker, namely, that the strike breaker or 'scab' has no right to do such work, that violence against him is perfectly justifiable, and that the ideal public official is the one who declines to interfere when the strike breaker is beaten up and compelled to flee from his work, or is perhaps murdered. The statement that 'strike breaking is becoming unhealthy in Illinois' is a delicate and feeling recognition of the fine work done in the massacre of twenty-odd strike breakers at Herrin."

Extract from address of Chairman Ben W. Hooper before the Tennessee Manufacturers' Association at their annual banquet at the Hermitage Hotel, Nashville, Tenn., Tuesday, February 6, 1923:

"* * * The demand is made that the courts should be deprived of the injunctive powers exercised in connection with strikes or that those powers should be greatly limited. Any man who will look this demand squarely in the eyes knows that it has but one meaning. It means that the labor leaders who espouse it desire that strikers and their coadjutors shall possess the unfettered license to destroy property and to intimidate and assault those who exercise the right to do the work that the strikers have abandoned. It means that the courts of our land must stand shackled and gagged in the presence of insolent and triumphant force. It means that the strongest safeguard of life, liberty, and property known to our Republic must be broken down in order that the onrush of the frenzied mob may not be obstructed.

"The injunctive power is not an instrument of oppression. Not often has it been perverted from its proper use. In tens of thousands of instances it has protected the weak against the mighty, the law-abiding against the lawless, the peaceable against the violent.

"In the second place, organized labor maintains a steady opposition to adequate and effective military forces, either State or national, and even to any sort of constabulary that could be used to quell riots and protect workers during strikes. This opposition to the military is not based on pacifism, as is sometimes claimed, but on the desire to be in a position to utilize unlawful force without lawful repression.

"In the third place, it is proposed to defeat all Federal legislation designed to prevent or to restrict railway strikes and to repeal, if possible, the transportation act, which, by the adjudication of controversies and the force of public sentiment, makes the success of railway strikes more difficult."

Extract from address of Chairman Ben W. Hooper at the Illinois insurance day dinner at the St. Nicholas Hotel, Springfield, Ill., March 7, 1923:

"One reason why strikes on railroads and other public utilities can not be conducted without violence is because the organizations, in substance and effect, teach that violence is justifiable. This is done by the periodicals of these organizations continually hammering into the minds of their readers that no man has the right to take up the work which a striker has abandoned.

"You may think that the terms 'scab' and 'strike breaker' are merely the impassioned opprobrium of an enraged mob. I have read in labor magazines the most serious arguments against the right of a man to do the work a striker has left, and coupled with these arguments was the fiercest denunciations of the 'scab' that language could express, placing him entirely outside the pale of human consideration.

"REFERS TO HERRIN RIOTS

"It is this manner of preachment that caused the mob at Herrin not only to shoot down their unarmed and helpless captives but to refuse them water to moisten their parched and dying throats. The same spirit that justified this massacre will justify whatever perjury is necessary to acquit the perpetrators."

Extract from an article entitled "Strikes, by Ben W. Hooper, chairman United States Railroad Labor Board," appearing in the October 14, 1922, issue of the Saturday Evening Post:

"* * * It must not be forgotten that there has been an insidious propaganda poured into the minds of laboring men through hundreds of publications, spreading the poisonous preachment that every branch of the Government is unjust to labor. That railroad labor has had its full share of this kind of literature can be testified by anybody who has had the opportunity to inform himself.

"In legislation on the subject under discussion there should be the least possible ground for complaints of unfairness. Of course, it would be a mere waste of time to endeavor to coddle the designing agitator into the approval of any law or policy of the Government, for he could be satisfied with nothing less than the overthrow of the existing order of society. It must be recognized, however, that a large part of the skilled classes of railway employees are essentially conservative men, although the drift of sentiment among them in recent years is apparently in the opposite direction."

Extract from a signed article addressed by Chairman Ben W. Hooper to the editors of the several publications issued by railway labor organizations, dated Chicago, Ill., February 1, 1923:

"* * * I have said, in substance, and I now repeat in the utmost sincerity and kindness, that I think it was a grave mistake for these leaders to enter into a political alliance with the socialists in the recent Cleveland conference. Some of them may say that they did not contemplate entering the Socialist Party. Very true; but when a fellow lines up alongside the devil and agrees to join him in any kind of fight, and the devil joyfully welcomes his assistance, it is time for that man to begin to get suspicious of himself.

"The ultimate aim of socialism is to overthrow our Government and set up in its place an experiment that has never been proven to be a workable thing. And that is not all of it. Socialism, in its last analysis, will destroy three things that railway men do not want to de-

stroy, namely, private property, the family, and the State. With these blotted out, there would be but little difference between a man and a beast. Moreover, every man would become a conscripted servant of the socialistic régime, working for everybody else but himself. My own notion is that a government which has given labor the greatest prosperity, happiness, and freedom that it ever enjoyed in any age or land and which holds out the hope of unlimited advancement is a good sort of government to stand by.

* * * * * * *

"Seventh and last, I would venture to suggest that the leaders of the organizations refrain from such indiscriminate, intemperate, and ill-considered attacks on the Government, its courts, tribunals, and institutions as will engender bitterness and class hatred that will ultimately prove to be a withering curse to those who indulge these passions. The struggle for the advancement of labor will be more effective in the long run if we all keep uppermost in our minds the well-being and perpetuity of the Republic, which railway employees, with practical unanimity, still love and reverence."

Extract from address of Chairman Ben W. Hooper before the Tennessee Manufacturers' Association at their annual banquet at the Hermitage Hotel, Nashville, Tenn., Tuesday, February 6, 1923:

"* * * A pretentious movement was launched in the recent Cleveland conference to inject organized labor into politics in alliance with the Socialist Party and various other radical groups. Whether or not the ambitious leaders participating in this enterprise will succeed in yoking their organization with socialism remains to be seen.

* * * * * * *

"Perhaps the labor leaders who participated in the Cleveland conference had not given much thought to the ultimate aim of socialism, as demonstrated in other lands. Its purpose, in the last analysis, is to destroy three things that laboring men in this country, particularly conservative railway labor, do not want to destroy, namely, private property, the family, and the State. With these three things blotted out, there would be but little difference between a man and a beast.

"Another of the ultimate results of socialism that would be exceedingly abhorrent to the free labor of America would be the virtual conscripting of labor by the socialistic régime. This has already happened to Russia. It is only one step from this condition back to slavery.

"And yet ideas of this kind are called 'progressive,' and the conference which undertook to tie up the laboring men of this country with socialism called itself a 'conference for progressive political action.'

* * * * * * *

"In the fourth place, it is seriously proposed to change the form of our Government by undermining and overthrowing the independence of the judicial department. The proposal to empower Congress to set aside a decision of the Supreme Court which declares an act of Congress unconstitutional is revolutionary in its nature.

* * * * * * *

"This proposal means nothing more nor less than the complete wiping out of our written Constitution. Instead of having all questions affecting the character of our liberties passed upon by a court comprised of men trained for that purpose and freed from the influence of ephemeral popular passion by long tenure of office, this sacred instrument would be made the sport of the rising and falling tides of inconstant public sentiment as reflected in successive short-lived Congresses. But one result could flow from such a system. The legislative department of our Federal Government would soon completely dominate the executive and judicial departments. The constitutional rock upon which our Nation stands would be replaced by sinking sands and the liberties of the people would be engulfed.

"Having subordinated the judicial to the legislative branch of the Government and emasculated the written Constitution, sweeping changes in our political and industrial system could be speedily accomplished.

"The logical sequence which our people would inevitably be called upon to face would be the conversion of the Republic into some sort of a socialistic or communistic government or dictatorship of the proletariat. This is why the socialists cooperated so cordially in the Cleveland conference. Of course, it is not asserted that all of the participants in that conference contemplated the end here described. It was meant to lead conservative workingmen blindfolded into the results depicted."

Extract from an article entitled "Radicalism versus Government," by Ben W. Hooper, chairman United States Railroad Labor Board, appearing in the March, 1923, issue of the North American Review:

"* * * And positive movement is on foot to throw the forces of organized labor into politics as allies of socialism.

* * * * * * *

"* * * The new political movement of organized labor is headed and controlled by certain leaders of railway labor organizations, who have formed a working agreement with the Socialist Party and other radical groups.

* * * * * * *

"* * * Here is a condensed recapitulatory analysis of the various steps in the program of this new alliance:

"1. To deprive the courts and all other tribunals of the power to obstruct strikes and to restrain strikers from the use of force.

"2. To curtail both State and national troops so that the Government can not successfully use them to protect employers, workers, and the public from the violence of strikes.

"3. To subordinate the judicial to the legislative branch of the Government and to emasculate the written Constitution so that sweeping changes in our political and industrial system can be speedily accomplished.

"4. Having consummated the first three items of this platform, the logical sequence which our people would inevitably be called upon to face would be the conversion of the Republic into some sort of a socialistic or communistic government or dictatorship of the proletariat. This is why the socialists cooperated so cordially in the Cleveland conference. Of course, it is not asserted that all of the participants in that conference contemplated the end here described."

That the general conception of the utterances of Chairman Hooper is that he is charging organized labor with indulging in such a campaign is illustrated by the fact that the editorial staff of publications, exercising the time-honored right to arbitrarily caption the addresses, etc., have imposed such headlines as "Labor leaders kill Labor Board and railroads" (New York Tribune, December 3, 1922), etc.

You undoubtedly appreciate that the railway employees, by and through the very labor leaders concerning whom Chairman Hooper has made statements so palpably demonstrating prejudice, must necessarily plead their cases before the Labor Board, there being no provision in the transportation act for a change of venue. It necessarily follows that so strong a prejudice against the employees' representatives can not but detrimentally reflect itself in the decisions of Chairman Hooper.

We have every confidence that you will appreciate the unjust odium in which railway labor organizations are being placed by such a breach of ethics on the part of a representative of the public upon the Labor Board, and that you will take the necessary action to insure to the railway labor organizations immunity from such insidious attack in future.

Respectfully,

Martin F. Ryan, general president Brotherhood of Railway Carmen of America; James P. Noonan, international president International Brotherhood of Electrical Workers; T. C. Cashen, international president Switchmen's Union of North America; F. H. Fljozdal, grand president United Brotherhood of Maintenance of Way Employees and Railway Shop Laborers; D. W. Helt, president Brotherhood of Railway Signalmen of America; Wm. H. Johnston, international president International Association of Machinists; E. J. Manion, president Order of Railroad Telegraphers; D. B. Robertson, president Brotherhood of Locomotive Firemen and Enginemen; W. S. Stone, grand chief engineer Brotherhood of Locomotive Engineers; Bert M. Jewell, president Railway Employees' Department, American Federation of Labor; J. W. Kline, international president International Brotherhood of Blacksmiths, Drop Forgers, and Helpers of America; J. A. Franklin, international president International Brotherhood of Boilermakers, Iron Shipbuilders, and Helpers of America; J. J. Hynes, international president Amalgamated Sheet Metal Workers International Alliance; J. G. Luhrsen, president American Train Dispatchers Association.

Mr. SHIPSTEAD. I also ask that the letter to the chairman, Ben W. Hooper, dated Cleveland, Ohio, May 31, 1924, found on page 31 of this report, be printed in the RECORD also.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows

CLEVELAND, OHIO, *May 31, 1924.*

Hon. BEN W. HOOPER,

Chairman United States Railroad Labor Board,

Transportation Building, Chicago, Ill

DEAR SIR: In a letter dated May 29 you sent to every member of Congress a copy of a letter which you sent under date of May 28 to the undersigned, replying to our telegram of that date. You are evidently seeking to persuade Members of Congress that we, as the responsible heads, respectively, of the Brotherhood of Locomotive Engineers and the Brotherhood of Locomotive Firemen and Enginemen, have adopted a course in violation of the provisions of the transportation act. A review of the facts will demonstrate that we have been proceeding and propose to continue proceeding in strict compliance with the law. While our organizations, in association with the other standard recognized railway labor unions, are seeking to have the Railroad Labor Board, of which you are chairman, abolished, and an adequate machinery established by act of Congress, this exercise of our rights as citizens does not justify you as a public official in send-

ing broadcast misrepresentations of the law and misstatements concerning the actions of ourselves. The natural desires of men to retain public office should not betray them into abusing the privileges and powers of such office.

As a matter of public record we will, therefore, review the subject matter of your letters of May 28 and May 29.

A dispute arose some time ago between the Buffalo, Rochester & Pittsburgh Railway and the Brotherhood of Locomotive Engineers and Brotherhood of Locomotive Firemen and Enginemen. The engineers and firemen were seeking to obtain on this road the same rates of pay now prevailing on other roads serving the same territory, as well as certain revisions of rules consistent with the rules in force on other roads in said territory. Their primary efforts to effect a settlement of these matters having failed of success, the question was referred to the employees of the road as to whether they were willing to continue in the service at the present rates of pay and existing rules, or would desire to withdraw from the service if, in the judgment of their representatives, such action became necessary in order to effect a satisfactory settlement.

The management of this railroad put out a circular to the employees stating its position and urging a vote to continue in the service. On May 26, while this balloting was in progress and the attitude of the employees was unknown, when no strike had been either voted or sanctioned, nor was imminent, the Labor Board notified the parties that a hearing would be held on May 29 in Chicago. On May 28 the undersigned sent a telegram to the Railroad Labor Board stating that if the proposition of the carrier was accepted by the employees there would be no dispute left; that if the proposition was rejected and further conferences failed, it was our purpose "to propose to the carrier that the dispute should be arbitrated in accordance so far as possible with the provisions of the Newlands Act." We stated we were utilizing and proposed to utilize every available means to prevent an interruption of commerce and that we denied the propriety or authority of the Labor Board to interfere with out offorts to obtain a settlement through agreement or through arbitration in the event that agreement through negotiations could not be obtained.

In this telegram we also stated that we were opposed to the submission of this dispute to the Labor Board, because we believed that if a settlement by negotiation was impossible a dispute should be arbitrated by an impartial tribunal whose decision would be binding. It is well recognized that the decisions of the Labor Board are not binding and we stated that "the Labor Board through its present composition and through the freely expressed prejudice and antagonism of its chairman to the official representatives of the employees and to the policies of their organizations has disqualified itself from acting as an impartial tribunal."

We will add to this letter some extracts from your many biased criticisms and attacks upon the officers and policies of the labor organizations, whose disputes have been submitted to the Labor Board to show the complete justification for our contention that no tribunal over which you preside can be regarded as an impartial tribunal for the decision of railway labor disputes.

We therefore declined to attend the hearings set by the board and invited the officials of the railroad to cooperate with us in further efforts to obtain a satisfactory and binding settlement of the pending controversy. Our efforts have been successful, notwithstanding the deliberate and unjustifiable attempt of the Railroad Labor Board to prevent a prompt and satisfactory settlement by injecting itself improperly into this dispute. We are advised by the representatives of the organizations on the railroad in question that a satisfactory settlement has been obtained. Your letter of May 29 to Members of Congress, stating that "the citation of the parties before the board was followed, it is pleasing to note, by a settlement of their dispute" carries the unjustified self-laudatory indication that the action of the board brought about the settlement when, as a matter of fact, a prompt settlement was procured in spite of the action taken by the board to prevent such a settlement. The carrier, although willing to go to the biased Labor Board preferred to settle in conference rather than to submit the dispute to an impartial tribunal.

Your letter of May 28 to us states that the course we contemplate pursuing, as set out in our telegram, is a "plain positive defiance of the law of the land as embodied in the transportation act." In other words, you assert, when we proposed to submit a dispute, which can not be settled by negotiation, to arbitration in accordance with the provisions of the Newlands Act, which is the law to-day just as much as the transportation act, that we are violating and defying the law of the land. The transportation act itself provides that "it is the duty of all carriers and employees to exert every reasonable effort and adopt every available means to avoid any interruption to the operation of any carrier growing out of any dispute." The employees are certainly at liberty to choose what they regard as the best and most available means to fulfill this duty. They are not required to seek arbitration before a biased tribunal whose decision will not be binding. They have every right to seek arbitration before an impartial tribunal whose decision will be binding. It is in the public interest that they should do so. Only the private interests of members of the Labor Board can be served by the employees going through the tedious, expensive farce of a hearing before the board to the unhappy result of a decision which, if favorable to them, the carrier may not enforce and against which, if unfavorable, you yourself admit they have the right to strike.

You quote a provision of the transportation act to the effect that "a dispute not decided in conference shall be referred by the parties to the Labor Board," but you certainly can not contend that before conferences have ended this requires the submission of the dispute to the Labor Board, or prevents the parties from agreeing to submit to a binding impartial arbitration. We insist and shall continue to insist that at least so long as the employees are exerting every reasonable effort and adopting every available means to settle a dispute, they are not required to refer it to the Labor Board and if the Labor Board exercises its power in the public interest and not for private purposes, it will not attempt to interrupt conferences and negotiations by summoning the parties to appear before it.

We are, of course, aware of the fact that the universal dissatisfaction of the railroad employees with the Labor Board and the refusal of railroads, which have organized company unions, to permit disputes with such unions to go to the Labor Board, has left the board with little important work to perform. We are, of course, aware of the fact that unless the board can succeed in creating some additional work for it to do there may be opposition to its maintenance and to the expenditure of money at the rate of $400,000 a year to maintain such a futile public body. We are aware of the fact that you, as chairman of the board, have been exceedingly active in support of the efforts of certain railroads to continue the existence of the board and that a possible question of good taste has not prevented you from continuously importuning Members of Congress to prolong the existence of the board. We suggest, however, that your present effort to use the board as a means for creating controversies in order to justify the existence of the board exceeds the impropriety of your previous actions. The humblest suitor in the civil courts has the right to obtain a change of venue from a judge who is prejudiced against him. Certainly the representatives of thousands of railway employees have the right to use every available means to avoid the submission of questions involving their daily living and daily conditions of labor to a judge who has denounced them with intemperate and indiscriminate abuse, to a judge whose office they have sought to abolish because it has been an instrument of injustice.

The representatives of the railway employees have the undoubted right to bring about, if possible, the settlement of disputes through arbitration under the law. The present Federal law providing for mediation and arbitration (the Newlands Act) covers only the engine and train-service men and is defective in other details. Therefore the organized railway employees have sought at the present session of Congress such a revision of the Newlands Act as will provide a satisfactory and just system for settling railway labor disputes, first, through conference, then in the case of minor grievance disputes, through adjustment boards, and in the case of major disputes over wages and rules, through mediation and arbitration. The law we have submitted to the deliberate judgment of Congress would abolish the mischievous discord-producing Labor Board and set up a machinery of peace and justice. You have opposed these efforts of the employees, with misrepresentation and offensive personalities, backed by reckless abuse of the power of your office. It is clear that you are now seeking, in what may be the closing days of this session of Congress, to force the employees to submit disputes to your partisan and prejudiced judgment and to intimidate Members of Congress into continuing the Labor Board through unwarranted fear of strikes.

In the negotiations between the engineers and firemen and the western railroads, involving some 90 carriers, you are now blocking individual settlements between the carriers and their employees (which the employees are seeking) by encouraging the carriers to refuse individual negotiations and to insist on a group negotiation and thereby create a dispute for the Labor Board to hear. The very carriers who have urged upon Congress their desire to negotiate settlements with their own employees are now insisting that their employees negotiate with a conference committee representing all of the western roads. This effort upon the part of these carriers to prevent the individual negotiations, which they hypocritically claim to desire, is being ably supported by the order of the Labor Board attempting to take control of the negotiations and ordering the parties to appear before the board.

Your actions as chairman of the Railroad Labor Board, your repeated and inexcusable misrepresentations of the legislation proposed by the railway employees, your venomous attacks upon their official representatives, your constant misuse of public position to promote private interests, have not only discredited the public tribunal of which you are chairman, but most unfortunately have diminished the confidence of organized labor in the fairness of the exercise of public authority in the settlement of labor disputes. You have vociferously objected to the political activities of organized labor, and yet no one person has done more than you to convince the railway employees of the necessity for political action to prevent the destruction of their

most cherished rights and to preserve their freedom to obtain just wages and tolerable working conditions. Your letter of May 28 should be conclusive evidence for all fair-minded persons that the righteous interests of the railway workers are vitally menaced by a continuance of the Railroad Labor Board and that they are fully justified in demanding its immediate abolition and the establishment of an impartial tribunal to restore peace and preserve harmony in the transportation industry.

Yours truly,

W. S. STONE,
Grand Chief Engineer B. of L. E.
D. B. ROBERTSON,
President B. of L. F. & E.

MEMORANDUM

Excerpts from criticisms of railroad labor organizations, their leaders, and their policies, by Hon. Ben. W. Hooper, chairman United States Railroad Labor Board

[From address at the Drake Hotel, Chicago, December 2, 1922]

This country is entering upon a new era of labor agitation, new in the sense that henceforth organized labor proposes to participate in State and national politics much more openly and actively than it ever has before. * * *

The importance of this political movement lies in the fact that the policies it will undertake to advance affect most vitally the fundamentals of our institutions, social and governmental. * * *

The political program of the labor leaders, to which they are endeavoring to secure the adherence of the rank and file of their constituency and of the people at large, embraces as its paramount proposition a demand that the courts be shorn of certain of their powers and, to this end, that the Constitution of the United States be radically amended. * * * In furtherance of this program, the most virulent attacks have been launched against the judiciary. * * * This promiscuous onslaught on the judiciary is really equivalent to an anarchistic attack on any and all forms of civilized government. * * *

[From address before the Tennessee Manufacturers' Association, Hermitage Hotel, Nashville, Tenn., February 6, 1923]

* * * The demand is made that the courts should be deprived of the injunctive powers exercised in connection with strikes or that those powers should be greatly limited. Any man who will look this demand squarely in the eyes knows that it has but one meaning. It means that the labor leaders who espouse it desire that strikers and their coadjutors shall possess the unfettered license to destroy property and to intimidate and assault those who exercise the right to do the work that the strikers have abandoned. It means that the courts of our land must stand shackled and gagged in the presence of insolent and triumphant force. It means that the strongest safeguard of life, liberty, and property known to our Republic must be broken down in order that the onrush of the frenzied mob may not be obstructed.

* * * Organized labor maintains a steady opposition to adequate and effective military forces, either State or national, and even to any sort of constabulary that could be used to quell riots and protect workers during strikes. This opposition to the military is not based on pacifism, as is sometimes claimed, but on the desire to be in a position to utilize unlawful force without lawful repression.

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[From address before the Illinois State Bar Association, Drake Hotel, Chicago, December 2, 1922]

A large portion of the employees' magazines which pass over my desk contain bitter attacks on the railroads, their managements, and their policies. These criticisms are not confined to matters of direct controversy between the railways and the employees, but they cover every ground of attack that might be made by those outside of railroad employment.

Nothing is left unsaid that seems to be calculated to stir up hatred among the employees and distrust and hostility among the people. It is quite remarkable to see that employees of an industry waging war upon that industry with the unquestioned purpose of destroying it. That this policy reacts detrimentally to the morale of the employees and detracts from successful operation is beyond dispute. It has its origin in the fact that the leaders of the employees are conducting a political campaign for Government ownership, which is ofttimes inconsistent with their loyalty to the carriers. * * *

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[From address at Illinois insurance day dinner, St. Nicholas Hotel, Springfield, Ill., March 7, 1923]

One reason why strikes on railroads and other public utilities can not be conducted without violence is because the organizations, in substance and effect, teach that violence is justifiable. * * *

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[From Nashville, Chattanooga & St. Louis Railway Employees' Magazine, December, 1922]

The very obvious desire upon the part of many employees that the carriers shall fail and collapse is due to their advocacy of Government ownership and operation under the Plumb plan or something similar. Anything that will drive or lead public sentiment in this direction is looked upon with favor. * * *

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[From official proceedings of the Western Railway Club, volume 35, December 18, 1922]

Personally I am led to wonder whether or not it is possible for the great body of railway employees under a leadership which desires that private operation shall be a failure can preserve the morale and loyalty to the industry in which they are engaged that will conduce to the successful service of the public.

Now, gentlemen, that is a serious question, candidly and openly stated. I mean by that, if a leader of the railway organizations is obsessed with the idea that it is incumbent upon him to lead a political movement in this country for the destruction of private ownership and operation, so as to hasten public ownership, with either public or private operation, and with that leader constantly inculcating into the minds of his constituents the idea that the railroad managements are not only treating with injustice their employees, but that they are imposing unnecessary burdens upon the public; I say under those conditions is it possible that the morale of the employees can be preserved at a point that will result in efficient service of the public?

Of course, there is one very obvious fact, a leader of the employees who seeks public ownership desires to see the failure of private operation. Now, whether or not he can maintain that political attitude without encouraging his followers to maintain an attitude inconsistent with the loyal and efficient service of the carrier is a serious question.

Now personally, gentlemen, many of you read the magazines and periodicals of the organizations. I glance at all of them in trying to keep pace with the thought of the employees in regard to all of these questions, and I find that a very large portion of the printed matter that is sent out to all of the railroad employees of the country at this time deals not with the duties of the employees in their daily tasks, not with the disputes and controversies that arise between the carriers and themselves, but deals in a large degree with the political aspects of the railway question and seeks by every possible means to prejudice the employees against the management, against private operation, and in favor of public ownership. * * *

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[From an article entitled "Strikes" in the Saturday Evening Post of October 14, 1922]

It must not be forgotten that there has been an insidious propaganda poured into the minds of laboring men through hundreds of publications, spreading the poisonous preachment that every branch of the Government is unjust to labor. That railroad labor has had its full share of this kind of literature can be testified by anybody who has had the opportunity to inform himself. * * *

Of course, it would be a mere waste of time to endeavor to coddle the designing agitator into the approval of any law or policy of the Government, for he could be satisfied with nothing less than the overthrow of the existing order of society. * * *

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[From the official proceedings of the Western Railway Club, vol. 35, December 18, 1922]

* * * I wonder if the rank and file of the railroad labor organizations, men supposed to be conservative and thoughtful, men beyond the average of organized labor in this country, can feel any degree of satisfaction in seeing their leadership enter into an alliance with the leadership of the Socialist Party. * * *

Gentlemen, I tell you that the people of this country will have to awaken to the situation that confronts them politically and governmentally. I am not an alarmist, but I say to you when a body of men, led by men who recognize themselves as socialists and by others who do not yet recognize themselves in their true light as socialists, set up an organization and undertake to say, "We will throw two or three or four million votes, not as a party but as a bloc, all the votes operating inside of the two political parties of the country," it is time for the public to wake up. That was the proposal in Cleveland last week, not to take on a party name and do business under that name, but to participate in the Republican or Democratic primaries, or both, and then, if the nominations are not satisfactory, they would step out and nominate independent candidates. * * *

[From address before Tennessee Manufacturers' Association, Hermitage Hotel, Nashville, Tenn., Tuesday, February 6, 1923]

A pretentious movement was launched in the recent Cleveland conference to inject organized labor into politics in alliance with the

Socialist Party and various other radical groups. Whether or not the ambitious leaders participating in this enterprise will succeed in yoking their organization with socialism remains to be seen. * * *

* * * Ideas of this kind are called "progressive," and the conference which undertook to tie up the laboring men of this country with socialism called itself a "conference for progressive political action." * * *

The new political movement of organized labor is headed and controlled by certain leaders of railway labor organizations, who have formed a working agreement with the Socialist Party and other radical groups.

Here is a condensed recapitulatory analysis of the various steps in the program of this new alliance:

1. To deprive the courts and all other tribunals of the power to obstruct strikes and to restrain strikers from the use of force.

2. To curtail both State and National troops so that the Government can not successfully use them to protect employers, workers, and the public from the violence of strikes.

3. To subordinate the judicial to the legislative branch of the Government and to emasculate the written Constitution so that sweeping changes in our political and industrial system can be speedily accomplished.

4. Having consummated the first three items of this platform, the logical sequence which our people would inevitably be called upon to face would be the conversion of the Republic into some sort of a socialistic or communistic government or dictatorship of the proletariat. This is why the socialists cooperated so cordially in the Cleveland conference. Of course, it is not asserted that all of the participants in that conference contemplated the end here described. * * *

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[From Washington Times of May 19, 1924]

The Howell-Barkley bill is, in its effect, a socialistic governmental wage-fixing scheme upon a vast scale. It would make whatever wages and working rules might exist at the date of its passage an irreducible minimum. The carrier that attempted to reduce wages would be subject to severe penalties and would have no tribunal to go before in search of relief. * * *

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[From hearings before a subcommittee on interstate commerce, United States Senate, Sixty-eighth Congress, first session, on S. 2646]

The most remarkable evidence of the purpose to completely exclude the public from participation in the adjustment of controversies is shown in the provision covering the eligibility and appointment of the members of the board of mediation and conciliation. Instead of including an express provision making the partisans of the carriers and employees both ineligible to membership on this board, there is an express provision making them eligible. * * *

This provision in a bill which has been carefully redrafted six times by experts means that the employees have deliberately planned to seek membership on such board of mediation and conciliation, if it should ever be created, and it is my information that certain employees are already prospective aspirants for such appointments. * * *

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[From letter addressed to Hon. WILLIAM D. BOIES, House of Representatives, Washington, D. C., April 16, 1923]

Under the proposed legislation, the public would be required to pay enormous sums of money from the Federal Treasury for the privilege of having its eyes bandaged, its ears stuffed, its voice stifled, and its hands bound whenever a strike is threatened, so that it might never see, hear, understand, speak, or act. * * *

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[From Nashville, Chattanooga & St. Louis Railway Employees' Magazine, December, 1922]

When I came from the east Tennessee mountains to serve on the Railroad Labor Board, what I did not know about the railroad-labor problem would have filled a Carnegie Library. There are some folks who think that my condition in that particular has not yet undergone any noticeable change.

Frankly, I do not regret that I was endowed with such a large fund of ignorance when I came on the board. Previous ignorance of the controversies between railway management and employees is one qualification for a public member of this board. It should contribute greately to his fairness and impartiality. It is the same qualification required of a juror—not to have formed or expressed an opinion. * * *

Mr. PITTMAN. Mr. President, as a member of the Interstate Commerce Committee, I voted for the bill reported out by the committee known as the Howell bill, which is now on the calendar. That bill originally was known as the Barkley-Howell bill. The chief objection to that measure was found in the fact that while it abolished the Railroad Labor Board, it failed to provide any substitute in the nature of a board that would to an extent represent the public in these major disputes.

The committee provided a plan in the Howell bill for the accomplishment of that purpose. That plan is this: Instead of having a fixed board, consisting of three representatives of labor, three representatives of the employers, and three representatives of the public, it provides for a board of five, the Secretary of Labor always to be a member of it, and a member of the Interstate Commerce Commission, to be selected by the commission itself, always to be a member.

It also provides that with the exception of the Secretary of Labor, whenever a major dispute arises which threatens to interfere with interstate commerce, the President shall appoint three members, and the Interstate Commerce Commission shall select one member, for the trial of that particular case, and having tried that case, the board shall cease to exist.

The evidence indicates to me, as a member of the Interstate Commerce Committee, that the chief objection to the Labor Board is this, that it is a fixed body, and that whenever that body has rendered an opinion which deals with a certain policy, which policy will come up in other disputes, they are then committed to such an extent that they are prejudiced on one side or the other in the eyes of those who submit the disputes. In other words, it is just as though you had the same jury for the trial of a hundred criminal cases of a like character. We have recognized that in every case a defendant is entitled to a new jury. One of the chief reasons for the objection is the necessity of avoiding a fixed opinion with regard to policies or principles of Government which may arise.

I think the amendment of the committee, when understood by this body, will entirely remove the great prejudice that was aroused in the country against the so-called Barkley-Howell bill. I am also satisfied that there are very few in this body who know anything about it. I think it should be explained. If the Senate should take a vote to-day on the matter reported from the committee, known as the Howell bill, in my opinion it would be overwhelmingly defeated, because of preconceived opinions of the original Barkley-Howell bill. I am equally confident that if that bill were thoroughly understood by the Members of this body, they would consider this new board, to be appointed in every dispute which threatened interference with interstate commerce, as more satisfactory to the employer, the employee, and the public itself.

There is no doubt whatever that the Railroad Labor Board has lost the confidence of the railroad employees of the country. Whether the Supreme Court of the United States should hold that they had authority to subpœna witnesses and make them testify or not, there is no question that its determinations are not binding on anyone. Their findings are nothing on earth but opinions expressed, and if the purpose we intended to have accomplished by establishing that board is to be accomplished, which purpose was to bring about a settlement of disputes without strikes and without disturbances, then there must be a board having the confidence of both sides, and experience has taught us that in the very nature of things no fixed and constant board can have this confidence.

The Labor Board has not accomplished anything in major disputes. It can never accomplish anything by reason of the lack of confidence in it. It should be superseded, either by a board such as that recommended by the committee, or some other form of board. I am not wedded to the form of board we have recommended. I am simply convinced that it should be a new board in every particular case, rather than a constant board. That is all there is to the question.

I doubt seriously the wisdom of the amendment of the Senator from Nebraska. There is no doubt that I seek exactly the same thing that he seeks—the establishment of a board which will have the confidence of the employers, the employees, and the public, which will represent all of them in a fair and just way, as a court of review and determination. But, as I said before, even if the Senator's bill were submitted to a vote right now, instead of his amendment, in my opinion it would be defeated, because the Senate does not understand what the amendment is. I am perfectly confident at this moment that if a vote were taken on his amendment, which would destroy the Labor Board—which I hope to have destroyed by having an independent board substituted for it—that amendment would be overwhelmingly voted down, and it would be voted down for the very reason that Senators do not know what its effect would be. They do not know what the Labor Board is. They do not know what the proposed bill

of the Senator provides. A vote on this amendment now would give the wrong impression to the country. It is a tactical mistake. It was not given the consideration which matters that are to be perfected by parliamentary action require.

I asked unanimous consent a while ago to allow the Senator from Nebraska to offer his bill as an amendment to the appropriation for this Labor Board, so that we could thrash the question out and end it here and now; but that was objected to, so we can not do that.

This Labor Board, in my opinion, is a useless body, absolutely useless, and yet undoubtedly it has matters under investigation and consideration now the examination into which is incomplete. It has offices, it has records, it can not be destroyed in a second without loss of some kind. Some plan should be adopted along the line of the Howell bill, or some other plan carrying the same principle, and in the adoption of that, provision should be made for the liquidation of the business of the existing board, because it will take two or three months to liquidate it.

In view of these thoughts, I am not at liberty to vote for this amendment.

Mr. FESS. Mr. President, I simply rise to state that I will not support the amendment striking out the appropriation for the Labor Board. While it is quite generally recognized that the Labor Board does not have many friends—very few among the employers and probably none among the employees—it is the only organic plan that has the form of law that we have ever inaugurated looking to a Government agency to settle industrial disputes. It has on it not only the representatives of the employers and employees, but also the representatives of the public. I would not vote for any substitute that would ignore the public rights in its findings, and until we have something better it would seem to me wise to vote against the amendment.

Mr. BROOKHART. Mr. President, I would like to ask the Senator this question. If the public has a right in these railroad matters, as I conceive it to have, is it not its duty to run the railroads instead of turning them over to private interests?

Mr. FESS. The Senator from Ohio does not believe that it is a wise procedure to have the Government run the railroads as a Government agency, but the Senator from Ohio does believe that unless we can find some method by which a public utility upon which the public welfare depends continues without being interrupted indefinitely, then our Government is a failure. In other words, it seems to me it goes without saying that we ought to be able to continue uninterrupted traffic on the railroads when the public welfare wholly depends upon it. In order that we may have an agency by which that can be done, the public must be represented just the same as the two fundamentally interested parties.

Mr. BROOKHART. Does not the Senator proceed on the theory that the Government is a failure and is incompetent and unfit to operate the railroads?

Mr. FESS. No; the Senator does not proceed on that basis because this board is a governmental agency and it is exercising all the powers that we have given it. I think the public misinterpret the powers of the Labor Board. The truth about the matter is that nobody who is responsible, so far as I know, would be willing to give the Labor Board the power to exercise compulsory arbitration. I know the Senator from Iowa would not do that, and I am sure neither the employers nor the employees would do it.

Mr. BROOKHART. The Howell-Barkley bill gives them power after voluntary arbitration to settle the question, which they do not have under the present law.

Mr. FESS. The difficulty about that bill is that it totally ignores the public and devotes its interests to the two disputing elements. Unless we have the third party, which is the largest party, namely, the public, represented in the controversy we are going to have nothing more than we have had before.

Let me suggest to the Senator a matter that he very well recalls. We had a strike in the coal business down in southern Ohio. The operators said, "We had rather pay high wages than low wages, but the high wages to be determined only by what the public will stand." After they had gone on for months the operators in connection with the labor representatives met in Cleveland. They decided about how much the public would stand. They reached an agreement, and the Senator knows what happened. Everybody won except the public. The public lost, and it was a decision without regard to the public interests. I will not vote for any agency that ignores the public interest in these controversies.

Mr. BROOKHART. The result which the Senator has just described is always the result when a public utility is turned over to a private interest, is it not?

Mr. FESS. I hardly think that is a legitimate conclusion. I am not ready to go, with my friend from Iowa, to the point of saying that anything that is a public interest ought to be run by the Government, and eliminate private efficiency. I think he is wrong there.

Mr. BROOKHART. I have very great confidence in my Government. I believe it is better than any privately owned utility company that can be organized in the world.

WHEAT PRODUCTION IN THE NORTHWEST

Mr. LADD. Mr. President, I desire to present to the Senate at this time a matter which is of extreme importance to the farmers of the Northwest.

WHAT THE ST. LAWRENCE WATERWAY WILL DO FOR NORTH DAKOTA

Mr. President, no one who is familiar with farming conditions in the Northwest needs to be told that one of our greatest drawbacks to successful agriculture is our woeful lack of cheap and dependable transportation service. It is well known that North Dakota is one of the greatest wheat producers among that inland group of granger States where the surplus foodstuffs of the United States are grown.

To appreciate the difficulties of a northwest wheat raiser, we must first remember that he is competing with other wheat-raising countries upon the longest rail haul to be found anywhere in the world. One has only to look at the map of the world, showing the five great wheat-growing regions exporting this grain, to appreciate the northwestern farmer's handicap at a glance. The Argentina farmer raises his wheat within 300 miles of the South Atlantic Ocean.

The Russian wheat growers are to be found almost entirely within a radius of one to two hundred miles of the Black Sea. The wheat growers of India are located less than 300 miles from the Indian Ocean, and the wheat belt of Australia is located on the very borders of the South Pacific. In the United States, however, we find our greatest wheat-producing States located 1,500 miles from the sea and handicapped by such a long and costly haul that it frequently wipes out the margin of profit on our chief money crop.

Mr. President, many remedies have been proposed. Some say that there is no help for the western wheat farmer; that he must give up raising wheat and turn to diversified crops in order to make a living. In general, I have no quarrel with those who recommend that the farmer should not put all his eggs into one basket, but I can not agree with those who claim that because our transportation conditions are difficult we should, therefore, surrender our national position as America's second greatest wheat-producing State. Knowing that transportation is our great difficulty, the immediate question arises, How can we improve our transportation situation? The one great answer to this question, a plan which promises greater relief and greater benefits than any other proposal, is the Great Lakes-St. Lawrence deep waterway.

SAVINGS TO FARMERS

What does it mean to the Northwest to bring the Atlantic Ocean 1,200 miles inland by this proposed deep-water route? The benefits are many and varied.

First, there is the saving in freight on wheat shipments for export, which, as northwestern people well know, is a benefit that goes directly to the shipper, for it is a well-known fact that the price of wheat in the Northwest largely follows the price of wheat in Liverpool, and from which is deducted the cost of transportation. Careful studies of shipping costs by rail and water over existing routes show that the cost of carrying a bushel of wheat from average northwestern shipping points to Liverpool varies from 35.9 cents, by the all-water route from Duluth to Montreal, using the present mosquito fleet on the St. Lawrence, to 39.5 cents, via Duluth and the lake route to Buffalo, thence by rail to New York. It has been estimated that with the proposed seaway in operation there would be a reduction of 7 to 10.6 cents per bushel, which means an annual increase in returns to the wheat farmers of my State averaging about $7,000,000 per year, even if there were no increase in our average annual production in the State under such favorable circumstances.

TRENTON HALFWAY FROM NORTH DAKOTA TO NEW YORK

Mr. President, the benefits to the State, however, as a wheat producer would far exceed the mere increase in price to the grower. It has been jokingly said that when you start a carload of grain from Chicago to New York it is only halfway

when it has reached Trenton, N. J.; but the northwestern farmer knows that it is a fact and no joke that when this car has reached Trenton it is truly but halfway so far as the time is concerned and less than halfway when measured by the expense. What is the result? Everyone knows the answer. When we have a bumper wheat crop in the Northwest we can never get sufficient cars to move it, and the local price drops to a ruinous point. Millions of bushels of wheat can not be exported when the market is good because we can not find the cars. But suppose that we have to ship our wheat by rail only as far as Duluth or Superior and there transfer it once for all to the hold of the ship, where it serves as the bottom cargo to be supplemented later on by other classes of freight to be picked up at Detroit, Cleveland, Buffalo, and other Lake ports. Then our freight cars need make but a 300-mile trip to Duluth, and instead of the railroads to provide the thousands of additional cars, which involves an expenditure far beyond their means, they can give us satisfactory service with the equipment they now have.

It is found that on the average it takes a freight car 28 days to go from North Dakota to New York and return. The same car loaded with wheat would easily make the trip to Duluth and return in seven days. In other words, by shipping our grain to Duluth rather than to New York for export, one car becomes the equal of four cars for the longer trip. This is an important feature in the transportation of bulk commodities like wheat in a period of large shipments, as must be the case in handling our grain crop.

Mr. President, it has been claimed that large ocean liners could not use the Great Lakes channel for lack of sufficient depth, and that the tramp steamers and smaller marine craft which could navigate in a 21-foot channel would be insufficient to handle our grain crop, but it is a well-known fact that wheat is one of the cheapest cargoes to transfer and that the Great Lakes freighters of large capacity can carry this grain at an astonishingly low rate per ton-mile. There is every reason to believe, therefore, that the bulk of the crop would be moved by the larger Lake freighters and transferred at Montreal to the great ocean liners which need the wheat for a bottom cargo and which could afford to make very low rates.

EXHAUSTED FERTILITY AND REDUCED PRODUCTION

There is another benefit from the St. Lawrence waterway which our State is beginning to need more rapidly than most of our people realize. In the days of the early settlers, although their farming methods were crude their yields of wheat were frequently 30 and as high as 40 or more bushels per acre, but as in every other State in the country the day of virgin soils is gone forever in the Northwest. Soil fertility is like money in the bank. One can not continually draw on his account without ultimately reaching the time when he will have little or nothing to draw from if he never puts anything back; and to-day in the Northwest, in spite of our campaigns for better seed, in spite of our improved machinery for planting and harvesting, in spite of years of effort on the part of our agricultural experiment stations, the average yield of wheat is only about 10½ bushels per acre. In 1921, for instance, it was only 8½ bushels.

GREAT ELECTRICAL POWER

Mr. President, there is but one remedy for such a condition. We must restore to the soil the plant foods which are being seriously depleted by repeated crops, but fertilizers must be far cheaper than they now are before they can be profitably applied to field crops in the Northwestern States. To produce these fertilizers, whether of nitrogen or phosphoric acid, large amounts of cheap electrical power are required. This will be a by-product of the navigation improvement of the St. Lawrence development, for engineers have reported that the potential power of the St. Lawrence River is about 4,100,000 horsepower, of which 1,464,000 can be produced at one single large dam near Cornwall, N. Y. This power site is controlled, I am informed, by three great interests, the Aluminum Co. of America, the General Electric Co., and the Du Ponts; but as I have recently stated in a public article I would be willing to grant these interests a 100-year license to develop this water power on the St. Lawrence if they will include in their license the provisions for fertilizer manufacture which are to be found in the Ford proposal for Muscle Shoals, for this would produce the equivalent of 2,000,000 tons of 2-8-2 commercial fertilizer, prepared in accordance with the demand of the farmers and sold under the directions of the farm organizations at a profit not to exceed 8 per cent on the fair actual annual cost of production. One of the large elements of cost of providing fertilizers that will be needed in the near future in the Northwest is phosphate rock, and much of the world's supply of phosphate rock is to be found adjacent or near to the tidewater, while it is well known that the world's cheapest supply of potash is to be found overseas in France and Germany.

When we consider the future needs of the soils of our own State and those of our neighbors, we find that the St. Lawrence development has much to offer as a means for producing and transporting economically the cheap and high-grade fertilizers which will be increasingly needed.

WHAT IT WOULD COST

Mr. President, there is a warm discussion as to the probable cost of the project. Estimates vary from $252,728,200 for a 25-foot channel (with provision for an ultimate 30-foot channel) up to Col. H. L. Cooper's estimate of more than $1,000,000,000. There is but one way to obtain a definite, reliable answer to the question of cost, and that way is to make a detailed survey. The St. Lawrence waterway is an excellent illustration of the lack of reliable information based upon a definite knowledge of the facts. This lack of engineering knowledge is general respecting all the principal streams of the United States, and I have called attention to the fact that any plan for superpower development should begin with a detailed study of our rivers and an investigation by the United States engineers to determine how they may best be improved for both power and navigation.

WHAT IT WOULD SAVE

It has been estimated that the improvement of the St. Lawrence will effect a saving of approximately $10 per ton not only on products intended for foreign markets but on those manufactured goods which are used by our people. This means a lower cost of living for northwestern citizens. It means a greater development of our resources and the building up of a new commerce which does not now exist at all, for the direct contact with the markets of the world will enable our middle western industry to enter the export field in fair competition with the industries of the Atlantic seaboard.

When it is remembered that this improvement, with its nation-wide benefits, can be made virtually without cost to the taxpayers, and can be financed by a bond issue backed up by the earning power of an enormous hydroelectric development, it becomes evident that here is a project of equal or greater importance than the Panama Canal and of such merit that it should be pushed to completion by united effort of the United States and Canada at the earliest possible moment.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 11505) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1926, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Nebraska [Mr. HOWELL].

Mr. HOWELL. Mr. President, it had not been my purpose to discuss the Howell-Barkley bill, but as it has been referred to, and certain statements have been made respecting that measure which might be misleading, I feel that it is necessary to say something in reference thereto.

It has been suggested that the Howell-Barkley bill does not provide for the participation of the public in the settlement of disputes between railroad employees and railroad managers. The plan of the Howell-Barkley bill is built up about a board of mediation and conciliation, composed of five members, all of whom are appointed to represent the public. The board is the central figure of the measure.

Moreover, in all disputes which are primary in character, that is, those disputes which involve wages and working conditions, it is provided that they shall be settled by arbitration, and that the board of arbitration shall consist of one or two, as the case may be, representing the employees, one or two representing the management of the railroads; and that the third member or members, one or two, as the case may be, shall represent the public.

Even in the case of secondary disputes, involving merely grievances, if a binding decision is not arrived at in conference between the employees and the management or as a result of a reference to a board of adjustment, such dispute also goes to a board of arbitrators which is organized in the same manner.

As a matter of fact, under the Howell-Barkley bill the public participates, even thus far, more than it participates under the Railroad Labor Board plan.

But not only that, in a case where arbitration is not agreed to—and it is not compulsory under the bill—it is provided

that the whole matter may be referred to a board to be appointed by the President under the following provisions of section 8 of the proposed act:

SEC. 8. Emergency board: If notwithstanding the provisions of this act a dispute between a carrier and its employees should in the judgment of the President substantially interrupt, or seriously threaten to interrupt, interstate commerce to a degree such as to deprive any section of the country of essential transportation service, the President shall create a board to investigate, advise, and report its conclusions respecting said dispute. Such board shall be composed of the Secretary of Labor, a member of the Interstate Commerce Commission, designated by the commission, and three additional persons to be named by the President, none of whom shall be precommitted respecting said dispute or directly or indirectly interested in the subject matter thereof or prejudiced for or against a party thereto or upon the issues involved therein by public or private interests or associations. Such board shall be created separately in each instance and it shall be its duty to investigate promptly the facts underlying the dispute and to make a report thereon to the President within 60 days from its creation in order that the public may be fully advised concerning the merits of the controversy.

In the performance of its duty of investigation such board shall be authorized to exercise the same powers of investigation as those conferred on a board of arbitration under this act. The expense of such board, including the compensation fixed by the President for the three additional members appointed by him, shall be paid on itemized vouchers approved by the chairman of the board of mediation and conciliation.

Thus it must be evident that, instead of the public not participating in the settlement of these disputes, as proposed in the bill, the public is more thoroughly represented under the provisions of the Howell-Barkley bill than it is represented today on the Railroad Labor Board.

Furthermore, the fact should be borne in mind that, whereas three of the nine members of the Railroad Labor Board represent the public, that board has no power to settle a dispute; its decisions are academic. What has been the consequence? When it pleased the railroad managers to flout the decisions of the board, they have done so without hesitation hundreds of times, and naturally the same result has followed so far as the employees are concerned.

Under the Howell-Barkley bill, in connection with a secondary dispute or grievance, if a board of adjustment settles such dispute it is finally settled and the decision is enforceable. Again, if an arbitration does take place the findings of the board of arbitration are final and binding. In other words, the bill provides a method of settling disputes, whereas the Railroad Labor Board does not settle disputes. Its decisions are without authority. There is no power granted to enforce its decisions, as there is under the terms of the Howell-Barkley bill.

Because of the situation that confronts the country—and it is not fully appreciated, I am sorry to say—it is recognized by those who know, as it was recognized by the Senator from Maryland and the Senator from Indiana a short time ago on the floor of the Senate, that this measure or something along similar lines is of paramount importance, and yet, although such is the case, we have been unable to prevail upon Congress to consider this important subject. In view of this fact I think that a statement ought to be made as to what has been attempted during the Sixty-eighth Congress to secure the consideration of the Howell-Barkley bill.

That measure was introduced in the Senate and also in the House of Representatives. The Senate Committee on Interstate Commerce, after careful consideration of the bill, by a vote of 11 to 3, reported it out during the first session of the Sixty-eighth Congress, last year, and recommended its passage. However, this bill has remained upon the calendar and has not been considered. The reason for that I will take up later, after discussing the situation in the House of Representatives.

Mr. KING. Mr. President, may I ask the Senator a question? Is not the present so-called Howell-Barkley bill materially changed from the original Howell-Barkley bill that was introduced early last session?

Mr. HOWELL. The change is very slight. It is not marked. The Howell-Barkley bill was introduced, as I have previously stated, in the House of Representatives, and endeavors were made to secure an early hearing upon the bill before the Interstate and Foreign Commerce Committee of the House. Unfortunately, Representative BARKLEY was unable to secure such hearing, and as a consequence the new committee-discharge rule was invoked, requiring the signatures of 150 Congressmen to a petition for the discharge of the committee.

Within a few days after the petition was filed 154 signatures were obtained.

Under the rules Congressman BARKLEY's motion to discharge the committee was acted upon by the House on May 5 and carried by a vote of 194 to 181. A filibuster was immediately begun by opponents of the bill and the entire time of the House consumed until 11.45 p. m. with parliamentary maneuvers. The net result finally was the adoption of Congressman BARKLEY's motion to limit general debate on the bill to three hours, an action made necessary by the filibustering of the opposition. During this filibustering 16 roll calls were had, resulting in votes for and against the bill as follows:

Roll call votes on the Howell-Barkley bill, May 5, 1924

Motion	For the bill	Against the bill
To discharge the Committee on Interstate Commerce	194	181
To take up bill for immediate consideration	197	172
To resolve House into Committee of the Whole	193	163
To adjourn	178	160
To resolve into Committee of the Whole for further consideration of the bill	182	158
To adjourn	172	141
Do	161	133
Do	165	139
To amend substitute motion by limiting debate to 7 hours	264	35
Previous question on the original motion to limit debate to 3 hours	177	130
To adjourn	171	136
Substitute motion to limit debate to 24 hours	204	95
To lay on table motion to reconsider last vote	179	126
Amendment to limit debate to 10 hours instead of 3 hours	157	139
To lay on table motion to reconsider last vote	171	129
To limit debate to 3 hours	165	136

It takes about 45 minutes to call the roll in the House, and it was by these filibustering tactics that a consideration of this bill at that time was prevented.

By ruling of the Speaker on May 6 it was held that the bill was not regular unfinished business, but only had a special privilege on the first and third Mondays of each month. The bill came before the House again May 19, and again an entire day was consumed in filibustering by the opponents of the bill, and in the three hours' debate, so that at the end of the day's session at 10.15 p. m., the time for general debate had been consumed and the first section of the bill had been read.

Roll call votes on the Howell-Barkley bill, May 19, 1924

Motion	For the bill	Against the bill
To go into Committee of the Whole for consideration of the bill	203	180
To adjourn	211	170
To refer the bill to Committee on Interstate Commerce	201	181
To adjourn	169	132
To concur in recommendation of Committee of Whole to strike out enacting clause	188	160

The next opportunity for consideration came on June 2. Prior to this time an effort had been made to obtain a special rule from the Committee on Rules, and in the course of this conferences were held between the supporters of the bill and the steering committee of the House, composed of Speaker GILLETT, Majority Leader LONGWORTH, Chairman SNELL of the Rules Committee, and Mr. SANDERS, member of the Committee on Interstate and Foreign Commerce. No agreement was obtained for a special rule or for any method of reaching a vote upon the bill before the contemplated adjournment of the session on June 7. It appeared that if the proponents of the bill insisted upon consideration on June 2 and consumed the day the result would be to prevent the passage of other desirable legislation sought by friends as well as opponents of the bill, which could only be acted upon if June 2 were not used for consideration of the Howell-Barkley bill. Therefore Congressman BARKLEY on June 2 announced that for that day the friends of the bill would yield for consideration of the other measures, leaving action upon the Howell-Barkley bill to be taken at the second session of the Sixty-eighth Congress.

Mr. President, after the Howell-Barkley bill had been reported out by the Senate committee, as I have stated, by a vote of 11 to 3, it was thought best to determine if those representing the railroad managements of the country would not get together with their employees and arrive at some conclusion with respect to this measure. Attempts of that character have been made time and again; and finally, within the last week or 10 days, it was concluded that the managements would do nothing; would not even confer. After waiting all that time, I called the attention of those in charge of the business of the Senate to the advisability of placing this bill upon the program for consideration before the close of the session.

Nothing has been done with reference thereto. Although it is acknowledged that it is a bill of tremendous importance, although a majority of the House of Representatives is for the bill and has been prevented from acting thereon only by a filibuster, yet this important measure, acknowledged to be one of the most important before Congress, is not to receive any consideration at the hands of the Senate.

It seems to me that this is a commentary upon methods of legislation. From it may be drawn a clear notion of the difficulties of enacting a measure of grave importance here in Congress. As I have stated, the Labor Board has shown its incapacity. It is neither meeting with the approval of the public, nor with the approval of many of the managements of railroads, nor with the approval of the employees themselves. However, because the managements of the railroads prefer to have it as it is, not because it accomplishes its purpose, but to have it as it is because they can flout its decisions, they stand back and say that there shall be no legislation to meet the situation that confronts the country, and we may at any time be in the midst of a tie-up of transportation in the United States.

Let us go back to the conditions that existed in 1920. Let us wipe out this Railroad Labor Board by wiping out this appropriation. It will be a step in the direction of a solution, and possibly it is the only step that will bring about a proper solution of this tremendous problem. Therefore, I believe that this amendment should be adopted, because there is hanging in the balance at the present time the welfare and the future of one of our greatest industries.

Mr. KING. Mr. President, will the Senator yield?

Mr. HOWELL. I do.

Mr. KING. At the last session, being dissatisfied with the Labor Board. I introduced a bill for the repeal of the law under which it was created; but I want to say to the Senator that I am afraid the withholding of the appropriation, as contemplated by his amendment, will not accomplish the result.

Suppose the Senator were successful in having the appropriation eliminated from the bill: The statute which creates the board is still in existence. The board would still function; and while it is true that there would be no provision for the salaries of its members, an obligation would still exist against the Government which, I think, we would be compelled to recognize by making an appropriation at a subsequent Congress.

If the Senator seeks to abolish the board—and that doubtless is his intention—I am afraid the amendment he is offering now will not accomplish that result. It could only be accomplished by a repeal of the statute creating the Labor Board. I offer that suggestion as a thought worthy of consideration by the Senator. What I am afraid of is that if he wins on this point now it will be a Pyrrhic victory, and the board will still go on and will function, perhaps in an informal way. They would not get their salaries. But when we meet in December we will be compelled, as a matter of honor, to make the appropriation for their salaries, because there would still be a board appointed by the President, as I recall it, by and with the advice and consent of the Senate. Their terms would not be ended by the adoption of the amendment. The machinery of that organization would still be there, though it might not operate very vigorously. But we would be piling up bills which we would have to pay. I think the Senator should think of that in connection with his amendment. He may feel, in view of the suggestion which I have made, that his amendment ought to be broader and provide for repealing the law under which the board was organized. Of course, that involving a change in existing law could only be done by suspending the rules so as to permit the offering of an amendment to repeal an existing statute. I hope the Senator will pardon me for making those suggestions.

Mr. HOWELL. Mr. President, I have realized that probably two steps would have to be taken, but if we could take this step, the second step would be a comparatively easy one. Certainly if the adoption of this amendment were not effective in putting an end to the Railroad Labor Board, the expenses of that board would be no more for the coming year, so far as Congress is concerned, than if the appropriation is made at this time.

Mr. DILL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. HOWELL. I yield.

Mr. DILL. There is no reason why the Railroad Labor Board should go on contracting expenses and Congress should have to pay them. I remember some years ago Congress cut off the appropriation for the Commerce Court, and that ended the Commerce Court.

Mr. HOWELL. I believe this amendment would be effective, and it is for that reason that I have offered it. I trust it will be adopted.

The PRESIDING OFFICER (Mr. MOSES in the chair). The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HOWELL] to strike out the paragraphs on pages 20 and 21 making appropriation for the Railroad Labor Board.

Mr. HOWELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fess	King	Shipstead
Ball	Fletcher	McKellar	Shortridge
Bingham	George	McKinley	Simmons
Brookhart	Glass	McLean	Smith
Broussard	Gooding	McNary	Smoot
Bruce	Hale	Metcalf	Stanfield
Bursum	Harreld	Moses	Stanley
Butler	Harris	Norbeck	Sterling
Cameron	Harrison	Norris	Underwood
Copeland	Heflin	Oddie	Walsh, Mont.
Curtis	Howell	Phipps	Warren
Dale	Johnson, Calif.	Pittman	Watson
Dial	Johnson, Minn.	Ralston	Wheeler
Dill	Jones, N. Mex.	Ransdell	Willis
Edge	Jones, Wash.	Reed, Mo.	
Edwards	Kendrick	Reed, Pa.	
Fernald	Keyes	Sheppard	

The PRESIDING OFFICER. Sixty-five Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment proposed by the Senator from Nebraska [Mr. HOWELL].

Mr. HOWELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. REED of Pennsylvania (when Mr. PEPPER'S name was called). I was requested to announce that the senior Senator from Pennsylvania [Mr. PEPPER] is unavoidably absent, and that if present he would vote "nay." He is paired with the Senator from West Virginia [Mr. NEELY], who if present would, I understand, vote "yea."

Mr. DILL (when the name of Mr. WALSH of Massachusetts was called). The senior Senator from Massachusetts [Mr. WALSH] is paired on this question with the senior Senator from Maryland [Mr. WELLER]. If the senior Senator from Massachusetts were present, he would vote "yea," and I understand the senior Senator from Maryland if present would vote "nay."

The roll call was concluded.

Mr. BROUSSARD. On this question I am paired with the junior Senator from Missouri [Mr. SPENCER]. If he were present, he would vote as I am about to vote, and therefore I vote "nay."

Mr. SIMMONS. I have a general pair with the junior Senator from Oklahoma [Mr. HARRELD]. I transfer that pair to the Senator from Michigan [Mr. FERRIS] and vote "yea."

Mr. STANLEY. On this question I am paired with the junior Senator from Kentucky [Mr. ERNST]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. REED of Pennsylvania (after having voted in the negative). I have a general pair on this question with the Senator from Delaware [Mr. BAYARD]. I transfer my pair to the Senator from Illinois [Mr. MCCORMICK], and allow my vote to stand.

Mr. JONES of Washington. I desire to announce the following general pairs:

The senior Senator from West Virginia [Mr. ELKINS] with the senior Senator from Oklahoma [Mr. OWEN], and

The senior Senator from New York [Mr. WADSWORTH] with the senior Senator from Virginia [Mr. SWANSON].

The result was announced—yeas 21, nays 42, as follows:

YEAS—21

Ashurst	Heflin	King	Smith
Brookhart	Howell	McKellar	Walsh, Mont.
Copeland	Johnson, Calif.	Norris	Wheeler
Dill	Johnson, Minn.	Sheppard	
Gooding	Jones, N. Mex.	Shipstead	
Harris	Kendrick	Simmons	

NAYS—42

Ball	Edwards	McKinley	Reed, Pa.
Bingham	Fernald	McLean	Shortridge
Broussard	Fess	McNary	Smoot
Bruce	Fletcher	Metcalf	Stanfield
Bursum	George	Moses	Sterling
Butler	Glass	Norbeck	Underwood
Cameron	Hale	Oddie	Warren
Curtis	Harreld	Phipps	Watson
Dale	Harrison	Ralston	Willis
Dial	Jones, Wash.	Ransdell	
Edge	Keyes	Reed, Mo.	

NOT VOTING—33

Bayard	Frazier	Neely	Stephens
Borah	Gerry	Overman	Swanson
Capper	Greene	Owen	Trammell
Caraway	Ladd	Pepper	Wadsworth
Couzens	La Follette	Pittman	Walsh, Mass.
Cummins	Lenroot	Robinson	Weller
Elkins	McCormick	Shields	
Ernst	Mayfield	Spencer	
Ferris	Means	Stanley	

So Mr. HOWELL's amendment was rejected.

Mr. WARREN. Mr. President, in behalf of the committee I submit the amendment which I send to the desk.

The PRESIDING OFFICER. The Secretary will report the amendment.

The READING CLERK. On page 3, after line 9, insert:

For extraordinary repairs to and refunishing the Executive Mansion, to be expended by contract or otherwise as the President may determine, $50,000.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I send to the desk an amendment which I propose.

The PRESIDING OFFICER. The amendment proposed by the Senator from New York will be read.

The READING CLERK. On page 27, line 25, after the word "claims" insert:

That no part of the moneys appropriated or made available for the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall be used or expended for the construction, purchase, acquirement, repair, or reconditioning of any vessel or part thereof or the machinery or equipment for such vessel from or by any private contractor that at the time of the proposed construction, purchase, acquirement, repair, or reconditioning can be constructed, produced, repaired, or reconditioned within the limit of time within which the work is to be done in each or any of the navy yards or arsenals of the United States at an actual expenditure of a sum less than that for which it can be constructed, purchased, acquired, repaired, or reconditioned otherwise.

Mr. WARREN. Mr. President, I make the point of order against the amendment that it is legislation, has not been recommended by the Budget, and has not been submitted to any standing or select committee. I make the point of order that it is legislation.

The PRESIDING OFFICER. The point of order is sustained.

Mr. COPELAND. Just a minute.

The PRESIDING OFFICER. Does the Senator from New York appeal from the decision of the Chair?

Mr. COPELAND. No, but I think the Chair was a little hasty, if he will permit me to say so. I know that he knows the rules so well that he does not have to have any advice from the floor, but if I presume to speak for a moment I would like to say that we had this proposition last year and practically the same amendment was received by the Senate and added to the bill. The Senator from Wyoming did not raise the point of order last year.

Mr. WARREN. That does not alter the rule. The rule is that when a point of order is sustained the question can not be debated. What the Senator meant to say was that the chairman of the committee was willing last year to let it go to a vote and be settled once and for all, and it was settled that an amendment identical with the one the Senator has offered should not go into the bill. It was not included, but a compromise provision was adopted instead. This same matter was brought up in the House and was ruled out there on a point of order.

At this hour of the day, when the question has been so thoroughly discussed heretofore and Senators are all conversant with it or should be, I do not consider that I ought to waive my privilege to make the point of order.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nebraska?

Mr. COPELAND. I will yield to the Senator from Nebraska in a few moments.

Mr. NORRIS. I did not desire to take the Senator from New York from the floor.

Mr. COPELAND. The principle of the amendment which I offered is carried at several points in the bill. On page 28, beginning at line 19, it is provided that—

No part of the sums appropriated in this act shall be available for the payment of certified public accountants, their agents or employees, and all auditing of every nature requiring the services of outside auditors shall be furnished through the Bureau of Efficiency.

Likewise, on page 29 it is provided that—

No part of the funds of the United States Shipping Board Emergency Fleet Corporation shall be available for the rent of buildings in the District of Columbia during the fiscal year 1926, if suitable space is provided for said corporation by the Public Buildings Commission.

The proposal which I sent to the desk was that repairs should be made in the navy yards if opportunity permitted and if the conditions were such that they could be so made. It seems to me that is what our navy yards are for. If we are not going to use them, we might as well close the navy yards. Here are ships owned by the United States, some of them operated by the Government, and when they are in need of repairs it seems very clear to me that the repairs should be made in the navy yards.

I observed last year——

Mr. WARREN. May I inquire to what the Senator is addressing his remarks?

Mr. COPELAND. I am addressing them to the bill now.

Mr. WARREN. To the point of order?

Mr. COPELAND. No; I have been ruled out on the point of order, but I assume I have the right to discuss the bill.

Mr. WARREN. What is before the Senate for the Senator to discuss?

Mr. COPELAND. Have I no right to discuss the bill at this point of the proceedings?

Mr. WARREN. The Senator surely knows the rule.

The PRESIDING OFFICER. The Chair is of the opinion that while there is no question pending before the Senate, nevertheless the unbroken practice of the Senate has been for Senators to discuss the action of the Chair or of the Senate.

Mr. COPELAND. I call attention to the fact that last year there was a sort of gentleman's agreement on the bill; at least I was under the impression that some of the repairs were going to be made in the navy yards. I have here the report of the hearings on the independent offices appropriation bill, on page 485, of which we have a list of repair contracts, estimated to be in excess of $50,000, which were awarded after June 30, 1924. I find here a contract for repair of the vessel *President Harding*, let to the Robins Drydock & Repair Co. for $59,000; repairs to the *President Roosevelt*, sent to Newport News Shipbuilding & Drydock Co., $45,000; the *George Washington*, sent to the same concern, $68,000; the *President Lincoln*, sent to the Bethlehem Shipbuilding Co., for $58,000 worth of repairs; the *President Wilson* on two occasions, once to the United Engineering Works, $33,000, and once to the General Engineering Works, $14,000. The *President Jackson* was repaired at a cost of $168,000 at the Bremerton Navy Yard, and the *President McKinley* at the Todd Drydocks Corporation for $128,000. I find that in one instance, and one only, was a ship sent to a navy yard for repairs. The *Leviathan* was sent to the Boston Navy Yard to be repaired at a cost of $53,000, and I find that of that amount $14,000 was done by various outside contracts.

We are maintaining these great shipyards with a personnel and equipment and all the facilities for the work—an important thing—so that in time of war the yards might be in condition to operate; and yet in spite of the fact that we have these great establishments, the Government is sending its vessels to outside private contractors for repair.

The Senator from Wyoming was good enough to ask me a little while ago what was the purpose of my comment. The purpose of my remarks is to try to impress the Senator from Wyoming so that next year when he prepares the bill he will give consideration to our appeal for the use of the navy yards for these repairs.

Mr. WARREN. If the Senator will permit me, I think he is undertaking to prove that this work is not being done by the navy yards as it should be done. The proof that has been before the committee is that all of it that can be done is being done in the United States navy yards; but it is rather difficult, when a ship is in a foreign harbor, to have to wait to see whether or not it can get into one of the navy yards of the United States or to get a bid from a navy yard for the repairs. It is an expensive proposition to hold a ship that is ready to load its freight or to fulfill its date for passenger travel on account of a tie-up of that kind.

I am in favor, as much as the Senator from New York can possibly be, of doing in the shipyards of the United States every dollar's worth of work that the Shipping Board can do without great loss and inconvenience. So long as these routes are established and running all over the world, it is entirely too drastic a proposition to ask that ships be tied up when in need of repairs in order to ascertain whether bids can be secured from our own navy yards and whether the work can be done in one of our navy yards. It is entirely too drastic

to tie up the matter in the way the amendment proposes to tie it up.

Does the Senator dispute the fact that these vessels are being in large measure taken care of in the navy yards where they can provide for the repairs?

Mr. COPELAND. Before I answer that question I would like to ask the Senator from Wyoming if the navy yards have been given abundant opportunity to bid on this work?

Mr. WARREN. They have. So far as I have been able to look it up, they have been given opportunity. On the other hand, after they have bid and the work has been given to them, many times they are not able, with all the other work they have on hand, to do it within the time in which it should be done, and losses have accrued accordingly.

Mr. COPELAND. May I ask the Senator whether, in the hearings on the bills, officials from the Navy Department were present to discuss the matter with the committee?

Mr. WARREN. The House committee or the Senate committee?

Mr. COPELAND. The Senate committee.

Mr. WARREN. Nobody responded to the call. They were invited to come, but they did not respond.

Mr. COPELAND. Did the committee urge the department to be represented?

Mr. WARREN. If the Senator expects the chairman of the committee to send out a file of soldiers and bring in the head of a department, I plead guilty to the fact that I did not do so.

Mr. COPELAND. It is the Navy we are speaking of. The Senator would not send soldiers to bring in a naval officer.

Mr. WARREN. The Secretary of the Navy was advised that we were ready to hear evidence.

Mr. COPELAND. I may be mistaken.

Mr. WARREN. I hope not.

Mr. COPELAND. Very often I am, though, I may say to the Senator from Wyoming, and I wish to say to him that I rarely find that he is mistaken. I may be mistaken, but I am under the impression that the Navy has not been given quite the consideration that it should be given in the matter of repairs to Government vessels.

Mr. WARREN. Now, may I ask the Senator, has the Secretary of the Navy appealed to him to intercede in the matter?

Mr. COPELAND. No; not at all.

Mr. WARREN. Has the Secretary of the Navy made complaint of misuse of the navy yards in any way?

Mr. COPELAND. I would not expect the Secretary of the Navy to appeal to me.

Mr. WARREN. Why not? The Senator from New York is interested in all these questions.

Mr. COPELAND. But I do not think appeals come in that way.

Mr. WARREN. Where did the appeals to the Senator come from?

Mr. COPELAND. Because I happen to live in a community where there are shipyards.

Mr. WARREN. I asked the Senator where the appeals came from.

Mr. COPELAND. To do this?

Mr. WARREN. Yes.

Mr. COPELAND. They came from employees of the navy yard at Brooklyn.

Mr. WARREN. They have all been considered and they are worthy of consideration, but I do not believe that they should be the first consideration when it comes to tying up work and involving an expenditure, perhaps two or three times as great to do the work, especially when the navy yards most of the time are overworked anyway in doing what they are required to do for the Navy.

Mr. COPELAND. It is presumptuous for the Senator from New York to undertake to make any suggestion to the experienced and patriotic Senator from Wyoming.

Mr. WARREN. That I deny.

Mr. COPELAND. But my judgment is that the navy yards which are owned and operated by the Government should at all times be so operated and maintained and be in possession of such personnel, trained in all the various activities of construction and repair work, that in time of necessity we shall have an organization and equipment ample for all of our needs. I know I need not impress that thought upon the Senator from Wyoming. There are, however, some of us who have the feeling—perhaps it is poorly founded—that there has not been given that consideration to the navy yards which should be given to them. Here we are dealing with vessels owned by the Government; we have these establishments equipped to do this work of construction and repair; and it seems logical to me that we should make use of this equipment and this personnel to do this work.

Mr. WARREN. That may be correct, but the Senator must know that we can not take a ship at Hongkong, Yokohama, or some distant place like that and hold it until provision could be made for taking care of it in our shipyards; and such occasions will surely arise.

Mr. COPELAND. The Senator from New York at once concedes that; but let me ask——

Mr. WARREN. Just a moment, please.

The management of the Shipping Board affirm—and I do not know any reason why they should do otherwise; it is not common sense that they should do otherwise—that they do get just as much work done in the Government navy yards as can be done without great loss because of the detention of the vessels.

Mr. COPELAND. I suppose it is hardly necessary to detain the Senate to ask questions about where repairs have been made and why they were made. For instance, where is the Robins Dry Dock? I do not happen to know where it is.

Mr. WARREN. I can not give the Senator the information he asks in reference to that.

Mr. COPELAND. Does any Senator know where the Robins Dry Dock is? Here is the Newport News Shipbuilding & Dry Dock Co. Have we not a navy yard at Newport News?

Mr. GLASS. No; but we have one at Portsmouth.

Mr. COPELAND. That is not far away, is it?

Mr. GLASS. No.

Mr. COPELAND. If we could take the *President Roosevelt* to Newport News, could we not take that ship to Portsmouth?

Mr. GLASS. But how does the Senator from New York know that the Portsmouth yard could have taken care of that work at any particular time?

Mr. COPELAND. I do not know. I am inquiring, because I want to know why it was not done. Why are not our navy yards being used?

Mr. GLASS. How does the Senator know they are not being used?

Mr. COPELAND. Has the Senator from Virginia been listening to what I have been saying? I suppose he could not hear me on account of the confusion in the Chamber.

Mr. GLASS. No; the Senator from New York was carrying on a private conversation apparently with the chairman of the Committee on Appropriations, and I did not hear it.

Mr. COPELAND. Mr. President, I will now carry on a conversation with the Senator from Virginia.

Mr. GLASS. All right. The Senator from Virginia will undertake to hold up his end of the conversation.

Mr. COPELAND. I find that the *President Harding* was repaired by a private shipyard, the Robins Drydock Co., at an expense of $59,550; that the *President Roosevelt* was repaired by the Newport News Co., at an expense of $45,416; that the *George Washington* was repaired by the Newport News Co. for $68,877; that the *President Lincoln* was repaired by the Bethlehem Shipbuilding Co. for $58,745; that the *President Wilson* was repaired by the United Engineering Works for $33,693, and by the General Engineering Works for $14,600; the *President Jackson* was repaired by the Bremerton Navy Yard for $168,703, and the *President McKinley* was repaired at the Todd Dry Docks Corporation, which is just across the harbor from the navy yard at Brooklyn, for $128,559.

I find one ship, the *Leviathan*, having a portion of the repairs made at the Boston Navy Yard. With that exception and the case of the Bremerton Navy Yard, our navy yards were not used at all last year in repairs in excess of $50,000. That was the point I was raising.

Mr. GLASS. What subject is it that the Senator wishes to ask me about?

Mr. COPELAND. I thought the Senator rose to ask me a question.

Mr. GLASS. Oh, no; I did not do so at all.

Mr. COPELAND. Then, we are relieved, because I have no desire to ask the Senator a question. I assume that he has the same patriotic impulses as have the rest of us.

Mr. GLASS. Yes; but I do not think it particularly signifies patriotism that a vessel is repaired in a Government navy yard rather than in a private yard. It may be, in the first place, that it can not be repaired in a Government yard.

Mr. WARREN. That has been the case several times.

Mr. GLASS. It may be, in the second place, that it can be repaired at less cost in a private yard. In that event, I am in favor of repairing it in a private shipyard. I live in a State where there are both private shipyards and navy yards.

Mr. COPELAND. Yes, but the amendment which I presented, and which was ruled out on a point of order, provided that when a navy yard was so situated that it could handle this work, preference should be given to Government navy yards. I do not see anything unreasonable about that, nor do I see anything unpatriotic about it.

Mr. GLASS. I do not see anything unpatriotic about it, but I do not see anything especially businesslike about it.

Mr. COPELAND. If a Government-owned shipyard could do a piece of work just as well and just as cheaply as a private shipyard, and the conditions in the yard were such that the work could be handled, does not the Senator believe that preference should be given to the Government-owned yard?

Mr. GLASS. Will the Senator from New York tell me exactly how it may be ascertained that the Government yard can do the work cheaper than the private yard?

Mr. COPELAND. I suppose that a navy yard is just as competent to give an estimate as is a private yard.

Mr. GLASS. But an estimate is not a bid. Suppose a Government shipyard exceeds the estimate by 50 or 100 per cent, what remedy is there?

Mr. COPELAND. I should like to ask in return, does not the Senator trust these Government officials, the naval officials who are in charge of the Government yards, to give estimates which can be depended upon?

Mr. GLASS. I would much prefer to accept a stated bid than an estimate of a Government shipyard.

Mr. COPELAND. Does the Senator believe that we should close the Government navy yards?

Mr. GLASS. Oh, no; I do not believe anything of that kind.

Mr. KING. Some of the Government yards ought to be closed, may I say to the Senator?

Mr. COPELAND. Well, Mr. President, one last word. It is a matter of no personal concern to me whether these ships are repaired in one place or another, but, as we have these yards, if we have competent employees in them, and if we have presiding over them great engineers of the Navy who can direct the repairs, I am here to say for myself that I think the quality of the work would be of the very highest order, and I believe, in the last analysis, that the interests of our country and the national defense would be best served by maintaining the establishments in such condition that they might be called upon in time of necessity.

Mr. NORRIS. Mr. President, I dislike very much to appeal from the decision of the Chair, but it seems to me to be so plain that the amendment offered by the Senator from New York is not subject to the point of order that I shall feel constrained to do so. The point of order is made on two grounds; one that it is legislation, and, second, that the item has not been estimated for. As to the second point, of course it has not been estimated for; it does not involve an appropriation, but it is a limitation on an appropriation, clear and simple, regardless of its merits.

Mr. President, as to the merits of the amendment we have discussed the matter many and many a time here. We have different viewpoints concerning it, and properly so, but it seems to me so plain that the amendment offered by the Senator from New York is merely a limitation on appropriations and, therefore, is in no sense legislation, that, with great regret and hesitancy and proper respect, I appeal from the decision of the Chair.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. NORRIS. Mr. President, on that I wish to be heard briefly.

The PRESIDING OFFICER. It is a debatable question, and the Senator from Nebraska is recognized.

Mr. NORRIS. Mr. President, if this amendment is a limitation of an appropriation, then it is not subject to the point of order. I wish to read the amendment:

> That no part of the moneys appropriated or made available for the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall be used or expended for the construction, purchase, acquirement, repair, or reconditioning of any vessel or part thereof or the machinery or equipment for such vessel from or by any private contractor that at the time of the proposed construction, purchase, acquirement, repair, or reconditioning can be constructed, produced, repaired, or reconditioned within the limit of time within which the work is to be done in each or any of the navy yards or arsenals of the United States at an actual expenditure of a sum less than that for which it can be constructed, purchased, acquired, repaired, or reconditioned otherwise.

In other words, the amendment merely says that no money appropriated for the repair of vessels, for instance, of one of the vessels of the Shipping Board, shall be available for the purpose of having repairs made at a private ship yard if within the limit of time within which such repairs must be made the vessel can be repaired at a Government shipyard for less money. That is all it says.

Mr. GLASS. Mr. President——

Mr. NORRIS. I yield to the Senator from Virginia.

Mr. GLASS. Will the Senator from Nebraska state how it may be ascertained that this is a limitation upon the cost of repairing vessels? How may it exactly be ascertained that a vessel reconstructed or repaired in a Government navy yard may be reconstructed or repaired at a less cost than it may be done on competitive bids at a private yard? The work would have to be done, would it not, before it could ever be ascertained whether it were done at a less or greater cost?

Mr. NORRIS. The question propounded by the Senator from Virginia could be answered in either way, and, as I understand, have no effect whatever upon the question as to whether or not the amendment is in order. It may be a difficult thing to ascertain the cost in advance, but the amendment requires that the work shall be done in a navy yard if it can be done there for a less cost than it can be done at a private shipyard. Those in charge can resort to whatever methods they see fit to ascertain that fact, I presume.

Mr. GLASS. The question has this application to the Senator's contention: As I understand, the Senator is contending that the amendment is a limitation upon the expenditure of money?

Mr. NORRIS. Yes.

Mr. GLASS. It may prove anything but a limitation upon the expenditure of money if, after a vessel has been reconstructed or repaired, it appears that the work has been done at a very much greater cost than it could have been done for at a private shipyard upon a competitive bid. So, where is the exact limitation upon the expenditure of money?

Mr. NORRIS. Mr. President, I could admit all that the Senator says, and, as I understand the parliamentary situation, it would still be no reason why this amendment is not in order. It is still a limitation. How it shall be ascertained is an entirely different proposition.

Mr. GLASS. It can not be ascertained at all until the work shall have been done in the Government yard.

Mr. NORRIS. I presume that, perhaps, within a penny or such a matter, or a few cents, or a few dollars, that might be true; but even that is not involved in the legal question that is now before the Senate. We say to the officials, if we adopt this amendment, "When you have a ship to repair, if the Government navy yard can do it for less than the private shipyard can do it for, then you must have it done in a Government navy yard." That is all that we say by this amendment. It may be hard for them to ascertain that.

Mr. GLASS. It will be impossible for them to ascertain it, in the first place; but what I am saying is that the Senator is contending that this amendment to the bill involves a limitation upon an expenditure. As a matter of fact, it may involve just the contrary.

Mr. NORRIS. A limitation upon an expenditure is always something similar to the language used in this particular amendment. Let us take up one that is in the bill; and, incidentally, if the Chair is not overruled I am going to make the point of order against the bill itself, which, under our rules, will send the bill back to the committee. It seems to me it is on all fours with this one. This is on page 28 of the bill, commencing with line 7:

> No part of the sums appropriated in this act shall be used to pay the compensation of any attorney, regular or special, for the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation unless the contract of employment has been approved by the Attorney General of the United States.

Mr. GLASS. Is that a change of existing law?

Mr. NORRIS. That is a limitation.

Mr. GLASS. Is that a change of existing law?

Mr. NORRIS. I do not think so. That is a limitation on the appropriation, just as this amendment is.

Mr. GLASS. I do not concede that the amendment is a limitation; but there are two questions involved. What I am asking the Senator is whether the paragraph just read by him is an alteration of existing law?

Mr. NORRIS. I do not know, and I do not care. It is a limitation on the appropriation. It says so in so many words. I do not know what the existing law is. If the existing law is the same as that, then I do not understand why the committee ever put it in.

Mr. GLASS. Is not the amendment proposed by the Senator from New York an alteration of existing law? Is it not new legislation?

Mr. NORRIS. No; it is not.

Mr. GLASS. It certainly is.

Mr. NORRIS. It is a limitation on the appropriation.

Mr. WARREN. No, Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. NORRIS. I yield; yes.

Mr. WARREN. It is plain, it can not be otherwise than plain, that to enforce it means to cost more to the country. It is not a limitation, but it is an expansion. We have proof of that here, for instance, in the evidence that was given before the House committee as to the cost.

Mr. NORRIS. The Senator can say that, but in saying that he assumes that none of these navy yards would do any work as cheaply as any other shipyard would do it.

Mr. WARREN. I beg the Senator's pardon; I do not assume anything of the kind.

Mr. NORRIS. Then the Senator's statement that this proposed amendment means an increase of expenditure must be modified.

Mr. WARREN. We either have to repair our ships where they are or we have to send them to a place where they can be repaired. If a breakdown occurs at some distant point, clear across the ocean, what is to be done? The ship should go out in two or three days and be loaded. How are we going to conform to this kind of legislation?

Mr. NORRIS. The language explains itself very clearly.

Mr. WARREN. I do not believe so. Will the Senator allow me now——

Mr. NORRIS. Let me first take that language. The Senator has raised the point, and now let me answer him. Suppose a breakdown occurs within 10 miles of a private shipyard and a thousand miles from a Government shipyard, and you have to fix the ship before it is fit to go to sea. This amendment would not require it to be taken to a Government shipyard.

Mr. GLASS. Why would it not, if the Government shipyard should estimate that they could make the haul of a thousand miles and still do the work for less than the private shipyard?

Mr. NORRIS. No; the language is—

> can be constructed, produced, repaired, or reconditioned within the limit of time within which the work is to be done in each or any of the navy yards or arsenals of the United States.

Suppose it were a thousand miles away. Suppose the ship was due to leave in 10 days. Suppose it would take five days to do the repairing. Would this amendment require them to travel a thousand miles in order to get it done? I do not think anybody would say that for a moment.

Mr. GLASS. Under the text of this amendment, if the officials of the navy yard should contend that they could bring the ship that distance and repair it at a less cost than it might be repaired if it were taken to the private yard 10 miles away, the ship must be brought to the Government navy yard.

Mr. NORRIS. Now, let us take that very example. We have a ship breaking down a thousand miles away from a Government navy yard and within 10 miles of a private shipyard. It will take five days to repair the ship. It must sail in 10 days. There is the provision as to time. Does any man suppose that anyone would say, "We will haul that ship the thousand miles and have it repaired," even though it could be repaired for nothing, rather than to pay even an exorbitant price at the private shipyard in order to get it out on time? That is within the time. As I read this amendment there would not be any doubt but that it would be the duty of those in charge of the ship to take it to the private shipyard and have it repaired. I can not see two sides to the question.

Mr. BROUSSARD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. Yes.

Mr. BROUSSARD. I want to call the Senator's attention to the fact that the navy yard merely submits an estimate of the cost, but the shipowner must pay the entire cost incurred in the repairs, whereas a private individual who submits a bid must do the work for a specified sum. The navy yard may estimate $75,000, and when the work is completed, if it costs the navy yard $150,000 the ship must pay that price; so there is no comparative bid submitted at all, and it is impossible for anyone to determine whether or not it is a lower bid until the work has been completed and the time is up.

Mr. NORRIS. Does he Senator claim that that has been the habit of the Government navy yards?

Mr. BROUSSARD. I understand that it has.

Mr. NORRIS. I understand that it has not. I have no personal knowledge of it. I have been told that that is not true. I do not know, myself.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. NORRIS. In just a moment I will yield. I take it, however, assuming that my information is correct, that that has not been the custom. If they do ask for bids from private yards and navy yards they accept, I presume, or I think they ought to accept, the lowest bid. If our Government officials in the navy yards are in the habit of doing such a thing as the Senator suggests, in my judgment they are doing something absolutely contrary to their official duty. They ought to give their very best judgment on the matter.

Mr. GLASS. Mr. President——

Mr. NORRIS. But let me call attention again to the fact that the question is not the merits of this proposition. It is strictly a legal question. We say by this amendment, in effect: "You must not have these repairs made in private shipyards if they can be made cheaper in Government shipyards." There is not anything else involved in it. That is all there is in it. When it comes to the merits of the proposition, all this argument has a direct application, I admit, and Senators can very properly take either side of the question that they want to; but that is not involved now on this appeal. That is not involved in the question of order here, any more than it will be if this action is sustained, and the point of order that I shall make in regard to the bill itself. It is simply a limitation; nothing else.

Now I yield to the Senator from Virginia.

Mr. GLASS. But does not the Senator see that the language of the bill he read to the Senate a while ago was language considered in the House committee, passed upon by the House itself, adopted by the House, sent to the Senate, considered in the Senate committee, and reported by the Senate committee; whereas the amendment proposed by the Senator from New York is obnoxious to the rule, because it has not been presented to a committee or reported by a committee, but changes existing policies and existing law? Does not the Senator see that?

Mr. NORRIS. No; the Senator does not see that. I do not see that.

Mr. WARREN. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Wyoming.

Mr. WARREN. I wish to say, regarding the remark of the Senator from Louisiana [Mr. BROUSSARD], that he states exactly what the committee has heard stated by different persons appearing before it who have had these matters in charge. On the other hand, for instance, even if you have an estimate from a United States navy yard, and the work exceeds the estimate, who is to blame, and who is going to stand for the difference? What officer is going to put himself in that position under a bond, as a man on the outside would do? They are not able to make contracts to fulfill their estimates under the law, as I understand, although as a matter of fact nearly all this work is done in the navy yards.

Here, for instance, is the statement of Mr. O'Connor, who has charge. He says, speaking of cases where there is $50,000 or more involved, that nearly all of those go to the Government shipyards, because they have time and can wait for the work; but as to the other matter he says, speaking now in regard to Admiral Porter's end of it:

> A boat going in for $30,000 or $40,000 worth of repairs, they have to do that work quick, and while we would be waiting for a report from the navy yard and all that, we would have the work done.

And as a result of that they would save money.

Mr. NORRIS. Do we not have to wait to get an estimate from the private yard? Can they make a contract any quicker than the navy yard?

Mr. WARREN. They do not have to go 7,000 or 10,000 miles across the ocean.

Mr. NORRIS. No; and if it were an accident occurring 7,000 miles away from the navy yard they would not take it there to have it repaired.

Now, I want to ask the Senator from New York [Mr. COPELAND] where the Senator offered his amendment. Was it at the end of the bill?

Mr. COPELAND. On page 27, line 25, after the word "claims."

Mr. NORRIS. Mr. President, I want the Senate to take into consideration the number of limitations on appropriations to be found in this bill.

Mr. WARREN. These limitations were put in the bill in the other House, and came to us as a part of the text. They can not be thrown out here on a point of order, of course.

Mr. NORRIS. I thank the Senator. I am glad to get the information he has offered. I will proceed, now, from the place where I was when I was interrupted.

I want the Senate now to consider the matter purely upon its legal aspects, and to forget, for the time being, the merits of the proposition. I do not want to argue the merits. I have some distinct ideas in regard to them, but I do not want to take them up. I want the Senate to consider the matter purely as a parliamentary proposition, and I want to call attention, as I was about to when I was interrupted by the Senator from Wyoming——

Mr. WARREN. I beg the Senator's pardon. I shall not interrupt him again.

Mr. NORRIS. I thank the Senator again for another interruption. I will yield to him at any time, gladly and willingly, because he always throws light upon any subject he discusses. Now I will get back again to where I was when I was interrupted by the Senator from Wyoming.

I want the Senate to consider the legal proposition before it, and for the time being to forget the merits of the amendment. I do not care whether the Senate committee or the House committee drafted the bill. The chairman of the Senate committee has said that it all comes from the House committee. It probably does, and it is to the credit of the House committee that they so framed it. They have filled this bill with limitations on appropriations, every one of which would be subject to a point of order in the House of Representatives and in the Senate if this amendment is subject to a point of order. Why did they frame the bill in that way? It was in order to avoid points of order being made. There was no other reason in the world. They wanted to limit the appropriations.

Let me read some of them. On page 27, commencing with line 17, I find the following:

> That no part of these sums shall be used for the payment of claims other than those resulting from current operation and maintenance; (d) so much of the total proceeds of all sales pertaining to liquidation received during the fiscal year 1926, but not exceeding $4,000,000, as is necessary to meet the expenses of liquidation, including also the cost of the tie-up and the salaries and expenses of the personnel directly engaged in liquidation:

If I am asked whether that is subject to a point of order, I answer unhesitatingly, no, it is not subject to a point of order. I have not claimed that any of these limitations are. I have simply said that if the Senate is going to lay down for this one amendment the Senator from New York has offered a different rule and apply that rule to the rest of the bill, then the whole bill will be subject to a point of order.

Suppose somebody comes along and says as to this limitation I have just read, that it provides "to meet the expenses of liquidation." It may be that there will be a dispute about liquidation. We want to know when a matter is completely liquidated. There may be an argument. There may be a question with two sides, as to which honest men may differ, as to whether certain things have been liquidated. That may be difficult to decide. It may be impossible to absolutely decide it. But that makes no difference. That does not affect the legal question involved as to whether it is subject to a point of order or not.

Let me read another one:

> No part of this sum shall be used for the payment of claims.

The question might arise, in the use of this money for the payment of a certain thing, as to whether it is or is not a claim, and men might disagree about that. It might be said, "This is subject to a point of order, because when it comes to carrying out the law men will disagree as to what a claim is and what is not a claim." That makes no difference. It is a limitation just the same. The difficulties of carrying it out, the fact that it is going to save money or lose money when you carry it out, are not involved in the matter. The only question is, Is it a limitation? Does it change existing law, or is it a limitation upon an appropriation?

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. JONES of Washington. Of course, I appreciate the fact that on this question the rulings in the Senate have been both ways, and my recollection is that the later rulings have sustained the position of the Senator from Nebraska. I have not looked up the House rules, but my recollection is that in the House they have an express rule that a limitation like that is in order. Does the Senator remember whether that is a fact or not?

Mr. NORRIS. Of course, it is well settled in the House, as I think it is equally well settled in the Senate, that a limitation upon an appropriation is not subject to a point of order. But there is no rule, as I remember it, that says so.

Mr. JONES of Washington. I had the impression that there was. There are different rules in the Senate, but I was under the impression that there was a particular rule as to that in the House.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SMOOT. Do I understand the Senator from Nebraska to mean that when an appropriation bill comes from the House, if there is a limitation put on an appropriation at any time by the House, it is subject to a point of order in the Senate? Did I understand the Senator to say that?

Mr. NORRIS. I have not said that.

Mr. SMOOT. The Senator is reading the provisions of the bill. They are all House provisions.

Mr. NORRIS. I understand that. But why did the House put those limitations on in that way? For no reason in the world but to avoid the rule. They made them limitations on the appropriations. That is what we are asked to do by the Senator from New York. I hope I have not been misunderstood by the Senator. The Senator from New York offers an amendment that is on all fours with all these provisions in the bill which the House put in, and the House committee put them in in this way, or they were put in on the floor of the House in this way, in order to avoid the very rule which the Senator from New York avoids when he offers his amendment. That is what we are trying to get before the Senate. In other words, we have before us in this very bill almost dozens of illustrations where this rule has been avoided by making the provision a limitation, almost in the same language as that found in the amendment of the Senator from New York. Suppose they had not put them in the shape of limitations? What would have happened in the House of Representatives? They would have gone out on points of order.

Mr. SMOOT. Not if the committee itself reported the provisions in the original bill.

Mr. NORRIS. Oh, yes; they would have gone out, just the same.

Mr. SMOOT. No; it is where an amendment is offered on the floor of the House.

Mr. NORRIS. That is true, but that is not all of the truth.

Mr. SMOOT. That is the rule.

Mr. NORRIS. If the Committee on Appropriations of the House of Representatives brings in a provision which violates the rule, it is subject to a point of order by anybody.

Mr. SMOOT. Oh, no.

Mr. NORRIS. The Senator from Washington [Mr. JONES], who was a Member of the House for years, will bear me out in that statement. He and I have both seen bills torn all to pieces in the House of Representatives because the committee itself violated the rule.

Mr. JONES of Washington. If the Senator will permit me, they have no rule in the House that makes an amendment reported by a committee in order. They have no such rule in the House of Representatives.

Mr. NORRIS. We have a rule here which provides that if the Committee on Appropriations of the Senate brings in an amendment which violates our rules we will send the whole bill back.

Mr. JONES of Washington. But we also have a rule here which provides that if a standing committee reports an item in an appropriation bill, that in itself makes it in order.

Mr. NORRIS. Yes; we have such a rule.

Mr. JONES of Washington. They have no such rule as that in the House.

Mr. NORRIS. No. I am trying to show that this bill is full of things just like the amendment the Senator from New York has offered, and that they are put in that form in order to avoid the very thing the Senator from New York is trying to avoid in offering his amendment. If those are to be allowed, why should not the rule apply to the amendment of the Senator from New York? I think they are on all fours, that they are just alike. The bill has traveled from the House to the

Senate, to the Senate committee, and back to the Senate, with those provisions in it, and they were framed as they were to avoid the rule. The Senator from New York has the same right to offer an amendment and avoid the same rule, and I think the language he has used does that.

But I am not through with these illustrations. Here is another one:

No part of the sums appropriated by this act shall be used to pay the compensation of any attorney, regular or special, for the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation unless the contract of employment has been approved by the Attorney General of the United States.

Suppose some one is employed as an attorney who was not approved by the Attorney General of the United States. What would be the effect of that language? It would mean that that man's salary could not be paid out of the money appropriated in the bill. It is a limitation on the appropriation. What does this amendment the Senator from New York has offered mean? It means that if they take a ship for repairs to a private yard, where they could get the work done cheaper than at a Government yard, they can not pay that private yard out of this money—a limitation on an appropriation, and nothing else.

Suppose, now, that the language I have just used came up for construction. There have been many instances where it has been true that the question whether a man is an attorney for an institution or simply an agent is a very close question. It arises often in the ordinary affairs of life, and we have to pass on the question whether a man representing a corporation is the attorney of the corporation, or whether he is simply an agent of the corporation. The official who construes the language I have just read may be called upon a dozen times to pass on that. It may be difficult for him to decide. It may be almost impossible for him to say. He may be confronted with evidence which convinces him that there is all kinds of doubt in it, and we say, then, if that kind of language were offered here, "It is not subject to point of order, because when you come to carry it out, if it is agreed to, it is impossible to know just exactly how you are going to carry it out." That may be the difficulty. That may be something inherent in the law itself, but it has nothing to do with the parliamentary situation which confronts the Senate now.

Let me read another one:

No officer or employee of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall be paid a salary or compensation at a rate per annum in excess of $10,000 except the following: One at not to exceed $25,000 and seven at not to exceed $18,000 each.

That is another limitation in the bill. If that language were offered here on the floor of the Senate, it would be just as must subject to a point of order as is the language offered by the Senator from New York; absolutely the same. It is a limitation on the appropriation. It was framed in that way in order to avoid a point of order in the House of Representatives. They know how to do it there, and they have done it in the right way. There might be difficulty in enforcing that when it becomes the law.

No officer or employee of the United States Shipping Board.

It might be a very difficult question to decide whether a man was an employee. He might be working for somebody else and be employed for a particular purpose by the board and the question might arise, is he an employee or is he not? It would be difficult to decide it, but we are not concerned with that difficulty now. It can not be determined by the difficulty of the enforcement of the law or the amendment that we are trying to adopt.

Here is another one:

No part of the sums appropriated in this act shall be available for the payment of certified public accountants, their agents or employees, and all auditing of every nature requiring the services of outside auditors shall be furnished through the Bureau of Efficiency: *Provided*, That nothing herein contained shall limit the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation from employing outside auditors to audit claims in litigation for or against the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation.

There might be a question involved in carrying out that language, if it should become the law, as to just what it means and get us into all kinds of trouble as to the proper carrying out of the law. The executive officials are charged with it and I assume they will do their duty. Those who drafted the bill must have assumed that. Perhaps there is no difficulty about it, but there may be, and there are every day thousands of difficulties that arise in the administration of every statute; but because a particular amendment that is offered is going to be difficult of enforcement is no reason why it is in order or out of order. It has no more to do with it than the flowers that bloom in the springtime.

Let me read another one:

No part of the sums appropriated in this act shall be used for actual expenses of subsistence exceeding $5 a day or per diem in lieu of subsistence exceeding $4 for any officer or employee of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation.

Suppose that passes and becomes a law and the question arises in a certain case whether a particular employee is entitled to the $5 a day or the $4 a day. Does anyone deny that such cases arise and may be difficult, and honest men could disagree, and it might go to the Supreme Court of the United States to be determined? Is that any reason why it is subject to a point of order? If it is, Senators can rest assured that the point of order would have been made in the House of Representatives long before it reached this august assembly.

Let me read another one:

No part of the funds of the United States Shipping Board Emergency Fleet Corporation shall be available for the rent of buildings in the District of Columbia during the fiscal year 1926 if suitable space is provided for said corporation by the Public Buildings Commission.

There is one that is a plain illustration of what may be difficult for administrative officers in carrying out the law. It is not subject to a point of order. It is a pure limitation. Suppose, instead of making a limitation, they had said, "It shall be illegal for the United States Shipping Board Emergency Fleet Corporation to rent buildings in the District of Columbia if suitable space is provided for said corporation by the public buildings corporation." Suppose that was the language. It would have gone out on a point of order. There was a change of law. There was a law in itself that was no limitation, and it would last until repealed.

Remember that every limitation lasts only so long as the appropriation lasts. That is one way to tell whether an amendment is a limitation. It is not the only attribute, of course, but one of the important ones. One way to determine whether a certain amendment is an enactment of law or is a limitation upon an appropriation is to inquire if it has any effect beyond the life of the appropriation. If it does, then it is a law. If it only affects the appropriation and dies with the appropriation it is a limitation.

Look at that language, Senators. We have been told that the language in the amendment of the Senator from New York makes it impossible properly to enforce the law because of the difficulty contained in it if it should become a law—that an officer could not tell always whether it would cost more at this shipyard than it would at that one. That is a difficulty and one of the things that the executive officer must ascertain. But look at this language that nobody says is wrong, that everybody has accepted as avoiding the point of order, and still is the same kind of limitation and has the same difficulty. This is what it says:

No part of the funds of the United States Shipping Board Emergency Fleet Corporation shall be available for the rent of buildings in the District of Columbia during the fiscal year 1926 if suitable space is provided for said corporation by the Public Buildings Commission.

Suppose that becomes the law and the question arises, Can the corporation rent a building somewhere else and pay for it out of this money? And, they say, "The Public Buildings Commission did not give us any room." And the Public Buildings Commission says, "Yes; we did. We said you could have rooms 15 and 20 and 40 and 46 in such a building." They come back and say, "Those rooms are not suitable because the law says they must be suitable, otherwise it does not apply." It says "if suitable space is provided for said corporation by the Public Buildings Commission."

Perhaps no two men would agree on just what was suitable space. It can easily get to the line where it would be difficult to say whether it was suitable or not, and there we would have an argument and then we would say, "It is subject to a point of order, because if it goes in the law it is going to be very difficult and we may have a litigation over it and it may cost the Government a whole lot of money." That is true. It may cost millions, because when these people get to a dispute about what is suitable space, if they decide a space is not suitable and go elsewhere and rent rooms for a fabulous price, they pay for it out of this appropriation if the commission did not give

them suitable rooms. That is the whole question. There may be millions and millions of dollars belonging to the Government that will hinge on the question whether this space is suitable or otherwise.

So that does not have anything to do with it being subject to a point of order. The language was put in by the committee in the House of Representatives for the purpose of avoiding a point of order. That is all it was for. None of these provisions would be framed in the language I have read if it were not for the purpose of avoiding the point of order. They are all limitations and none of them a law. The limitation expires with the fiscal year for which the appropriation is made, just as the amendment offered by the Senator from New York expires with the appropriation.

Here is another one:

That no claim on the part of the United States Shipping Board Emergency Fleet Corporation or the Navy Department as against any private individual, firm, association, or corporation, other than the United States Shipping Board Emergency Fleet Corporation, is canceled or otherwise affected in any way by this act.

No; I am mistaken about that. I do not claim that is a limitation. I had not read it before. Here is another one I have just run onto. Senators can pick them up almost anywhere in the bill:

No part of this appropriation shall be expended for the purchase of any site for a new hospital, for or toward the construction of any new hospital, or for the purchase of any hospital; and not more than $3,837,750 of this appropriation may be used to alter, improve, or provide facilities in the several hospitals under the jurisdiction of the United States Veterans' Bureau so as to furnish adequate accommodations for its beneficiaries either by contract or by the hire of temporary employees and the purchase of materials.

A whole lot of things could be in dispute over that provision.

Mr. FESS. Mr. President, will the Senator yield?

Mr. NORRIS. Certainly.

Mr. FESS. That is a clear limitation under the rule. The question with me is whether the amendment offered by the Senator from New York is a limitation under the rule. The rule requires that it must show on its face that there is a saving of money and I can not, upon an examination of his amendment, see any saving of money in it, and that must show in order to come within the rule.

Mr. NORRIS. If the Senator will look at it, he will find that on its face it is a saving of money. When it is worked out it may not be that way, but on its face it is a saving of money and the Senator can not get away from it.

Mr. FESS. If it is the amendment would be in order, but I can not see it.

Mr. NORRIS. That is what I am trying to argue. I think the Senator is entirely right. It saves money because it says we shall not go to a private shipyard if we can get it done, not for the same price, but for less money, at a Government shipyard. Taking it on its face, and I have been trying to explain here that that is the way we ought to take it for the purpose of passing on the point of order, it is a saving of money just as the limitation which I have just read is purely a limitation.

I do not care to go on further. I presume there are a good many other limitations in the bill to which attention might be called. I am only pleading that the Senate be fair. It seems to me that the amendment offered by the Senator from New York ought to be considered. Again I say I criticize no Senator because he opposes it. I am in favor of it myself. If the Chair is overruled I expect to have something to say in favor of the amendment, but that is not involved now. We can disagree as widely as the poles are separated from each other on the merits of the proposition. The only question is whether it is a limitation. It seems to me that on its very face it is so plainly a limitation that we can not afford to violate the plain rule of the Senate and sustain the point of order. Therefore, it seems to me the decision of the Chair ought to be overruled.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate? [Putting the question.] The ayes seem to have it.

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). Making the same announcement as before, I vote "yea."

Mr. REED of Pennsylvania (when his name was called). I transfer my pair with the Senator from Delaware [Mr. BAYARD] to the Senator from Illinois [Mr. MCCORMICK] and vote "yea."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Oklahoma [Mr. HARRELD]. I transfer that pair to the Senator from Michigan [Mr. FERRIS] and vote "nay."

Mr. STANLEY (when his name was called). I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

Mr. SWANSON (when his name was called). I have a pair with the senior Senator from New York [Mr. WADSWORTH]. I transfer that pair to the senior Senator from Massachusetts [Mr. WALSH] and vote "yea."

The roll call was concluded.

Mr. FERNALD (after having voted in the affirmative). I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the junior Senator from Vermont [Mr. DALE] and allow my vote to stand.

The result was announced—yeas 45, nays 11, as follows:

YEAS—45

Ball	George	McNary	Spencer
Bingham	Glass	Metcalf	Stanfield
Broussard	Gooding	Norbeck	Stanley
Bruce	Hale	Oddie	Sterling
Bursum	Harris	Pepper	Swanson
Butler	Heflin	Phipps	Underwood
Cameron	Jones, Wash.	Ralston	Warren
Curtis	Kendrick	Ransdell	Watson
Edge	Keyes	Reed, Pa.	Willis
Fernald	King	Shortridge	
Fess	McKinley	Smith	
Fletcher	McLean	Smoot	

NAYS—11

Ashurst	Harrison	Norris	Simmons
Brookhart	Howell	Sheppard	Wheeler
Copeland	Johnson, Minn.	Shipstead	

NOT VOTING—40

Bayard	Elkins	La Follette	Pittman
Borah	Ernst	Lenroot	Reed, Mo.
Capper	Ferris	McCormick	Robinson
Caraway	Frazier	McKellar	Shields
Couzens	Gerry	Mayfield	Stephens
Cummins	Greene	Means	Trammell
Dale	Harreld	Moses	Wadsworth
Dial	Johnson, Calif.	Neely	Walsh, Mass.
Dill	Jones, N. Mex.	Overman	Walsh, Mont.
Edwards	Ladd	Owen	Weller.

So the decision of the Chair was sustained.

The PRESIDING OFFICER (Mr. MOSES in the chair). The bill is still before the Senate as in Committee of the Whole and open to amendment.

Mr. KING. I send to the Secretary's desk an amendment, and ask that it be read, and I move its adoption.

The PRESIDING OFFICER. The amendment proposed by the Senator from Utah will be stated.

The READING CLERK. On page 30, after line 4, it is proposed to insert the following new paragraph:

No part of the sums appropriated in this act shall be available for or used to pay the hire of any member of the crew signed on the crew list and who is employed departing from a mainland port of the United States on any of the ships of the United States Shipping Board, or the United States Shipping Board Emergency Fleet Corporation, when such member of the crew of such ship is ineligible to citizenship under the laws of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah [Mr. KING].

Mr. NORRIS. I make the point of order against the amendment on the same ground that the Senate just sustained the point of order on the previous amendment, that it is new legislation. I also make the same point against the amendment that was made by the Senator from Wyoming [Mr. WARREN], that, in addition to being new legislation, it has not been estimated for by the Budget Bureau.

Mr. ASHURST. Mr. President, I ask that the amendment proposed by the Senator from Utah [Mr. KING] may be again read.

The PRESIDING OFFICER. The Senator from Arizona asks that the amendment may again be stated for the information of the Senate. The Secretary will read the amendment.

Mr. KING's amendment was again read.

Mr. NORRIS. Mr. President, upon hearing the amendment again read, I withdraw my point of order against it. I see that it is just as clear as can be that the amendment is a limitation, just as was the other amendment, and that it is not subject to a point of order.

The PRESIDING OFFICER. At this point the Chair would like to interject, if the Senator from Utah will permit him, that this amendment differs from the amendment just dealt with, in that it follows the line of an existing permanent statute, to wit, the so-called La Follette Seamen's Act, and, therefore, is

strictly a limitation upon the expenditure of money proposed to be appropriated in this measure.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Wyoming?

Mr. KING. I yield.

Mr. WARREN. I should like to ask whether the law to which the Presiding Officer has just referred is as severe in its requirements as is the amendment which the Senator from Utah has offered. As I understand, the Senator proposes that, whatever the extremity of a ship in port may be, it can not leave unless every member of the crew manning that ship is either a citizen or is entitled immediately to become one. I understand that under the so-called La Follette law a certain proportion of the crew must be American citizens; but I do not remember its being restricted so closely as the amendment now offered by the Senator from Utah. I ask the question for information.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Florida?

Mr. KING. I yield.

Mr. FLETCHER. I suggest that the present law takes care of that situation. It provides that in case of distress seamen may be employed as needed. I think it is a very important amendment; I think it will serve to build up our shipping, for we can not have a merchant marine without men to run the ships.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah.

Mr. KING. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. PHIPPS (when his name was called). On this vote I have a pair with the junior Senator from South Carolina [Mr. DIAL], which I transfer to the senior Senator from Vermont [Mr. GREENE], and vote "nay."

Mr. REED of Pennsylvania (when his name was called). I transfer my pair with the Senator from Delaware [Mr. BAYARD] to the Senator from Illinois [Mr. MCCORMICK], and vote "nay."

Mr. SWANSON (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

The roll call was concluded.

Mr. FERNALD (after having voted in the negative). Making the same announcement as before with reference to my pair and its transfer, I will allow my vote to stand.

Mr. JONES of Washington. I have been requested to announce the following pairs:

The Senator from Oklahoma [Mr. HARRELD] with the Senator from North Carolina [Mr. SIMMONS];

The Senator from Kentucky [Mr. ERNST] with the Senator from Kentucky [Mr. STANLEY];

The Senator from Mississippi [Mr. HARRISON] with the Senator from Maryland [Mr. WELLER]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 21, nays 32, as follows:

YEAS—21

Ashurst	Heflin	Norris	Smith
Brookhart	Howell	Ralston	Swanson
Copeland	Johnson, Minn.	Ransdell	Wheeler
Fletcher	King	Sheppard	
Glass	McKellar	Shipstead	
Harris	McNary	Shortridge	

NAYS—32

Ball	Fernald	McLean	Smoot
Bingham	Fess	Metcalf	Spencer
Broussard	Gooding	Moses	Stanfield
Bursum	Hale	Norbeck	Sterling
Butler	Jones, Wash.	Oddie	Underwood
Cameron	Kendrick	Pepper	Warren
Curtis	Keyes	Phipps	Watson
Edge	McKinley	Reed, Pa.	Willis

NOT VOTING—43

Bayard	Elkins	Ladd	Robinson
Borah	Ernst	La Follette	Shields
Bruce	Ferris	Lenroot	Simmons
Capper	Frazier	McCormick	Stanley
Caraway	George	Mayfield	Stephens
Couzens	Gerry	Means	Trammell
Cummins	Greene	Neely	Wadsworth
Dale	Harreld	Overman	Walsh, Mass.
Dial	Harrison	Owen	Walsh, Mont.
Dill	Johnson, Calif.	Pittman	Weller.
Edwards	Jones, N. Mex.	Reed, Mo.	

So Mr. KING'S amendment was rejected.

Mr. KING. Mr. President, I regret that the lateness of the hour precluded me from having a full opportunity to discuss this important amendment. I regret that the Senate has not taken the view that the amendment is a proper one.

I ask unanimous consent to have printed in the RECORD a number of documents which relate to the amendment which I have just offered and which, in my opinion, show the necessity of legislation which will man our merchant marine with American citizens or those who are eligible to citizenship.

Much has been said about building up our merchant marine; and those who are familiar with the matter appreciate that one of the most important requirements in the maintenance of a suitable merchant marine is the employment of sailors and others upon ships who are either American citizens or are qualified to become American citizens.

Under the policy now pursued, the number of American seamen is constantly diminishing. In 1920 there were more than 79,000 in the merchant marine, and 51 per cent of the seamen upon American vessels were Americans. Now, less than 18 per cent of the seamen employed upon American vessels are Americans. Chinese are employed in great numbers. In a recent issue of the Seattle Post-Intelligencer appears an article which shows the way in which Chinese seek to enter the United States and the manner by which they enter into the marine service of our country. I ask to have the article printed in the RECORD without reading.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Seattle Post-Intelligencer of February 22, 1923]

CHINESE BID HIGH STAKES FOR SHIP JOB—MONEY OFFERED FOR POSITIONS ON ORIENT-SEATTLE VESSELS REVEALED IN FIGHT AGAINST DOPE

High stakes offered for minor positions on American steamships plying between the Orient and Seattle are revealed in correspondence between Chinese and ships' officers disclosed yesterday by investigators uncovering the dope traffic here.

A letter to the purser of one trans-Pacific liner, believed to have been written at Hongkong and dated November 9, 1922, reads:

"I went up your office this afternoon for applying the job of interpreter.

"I beg to says that I will hand over of $1,000 for the job if you can fix up for me.

"I will come to see you immediately when your ship return from Manila and I hope you will combine with the chief steward and also I will do him good when the job succeeds.

"Yours truly,

"LO WING PO."

LETTER AT MANILA

Another letter, written to the master of one of the big passenger liners, was received by him at Manila and was written on stationery of his ship. It bears the signature of H. Hong, and reads:

"Hoping that you are open to any proposition within reason and not entailing too much risk that will benefit you financially, I take the liberty of advancing my business aspirations.

"Representing the largest Chinese business club of Hongkong, I would bid for the position of number one man in the steward's department. The sum to be paid you on our arrival in Hongkong in case you accept this bid will be $500 gold. An arrangement will be made with the chief steward separately.

"In case you care to entertain this proposition an answer as to whatever agreement you could arrive at would be very much appreciated not later than Sunday afternoon.

"We wish to know, in order to have the money ready in case you desire.

"Besides the initial payment there will be more money at the other end of the voyage.

"Perhaps this may not be feasible to make a change this trip, and I hope you will consider this enough to keep me in mind for the next trip as number one man.

"These trips can be very profitable to you if you are farsighted."

Reports in the possession of Federal investigators show that the smuggling of opium, morphine, and cocaine is not confined exclusively to the Admiral Line steamers. To the contrary, it is generally admitted that narcotic drugs, in varying quantities, reach Seattle and other Puget Sound points on practically all vessels which load cargoes in the Orient.

GOOD PAY FOR CHINESE

That these ships' jobs were lucrative to Chinamen who condescended to engage in the dope trade is made clear in the confession of David J. Taylor, held on narcotic charges here. The Chinaman known as Number One Boy, according to Taylor, usually was trusted and paid by the dope ring to secrete the narcotics aboard ship at Hongkong and guard the stuff safely until it reached the dock here.

Customs agents have been informed in writing by narcotics agents that there are 147 tins of smoking opium that were thrown off a ship last December, according to Taylor's confession, still in the bay at Smith Cove.

It has been reported several days ago that some one was dragging for this opium, and narcotics agents supposed the searchers to be customs men. Check of Federal officers yesterday, however, disclosed that no agents of the Government were engaged in the work, and the conclusion was reached that "high-jackers" must be attempting to salvage the stuff.

Mr. KING. A letter from one of the captains employed by the Shipping Board shows that Chinese are being employed, and that the percentage of Americans is small. I ask that it may be inserted in the RECORD without reading.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEATTLE, WASH., *October 10, 1922.*

Mr. A. F. HAINES,
Vice President.

CHINESE FIREROOM CREW—STEAMSHIP "PRESIDENT MADISON"

It appears that through some error the Chinese fireroom crew for the above-named vessel was brought over on the steamship *President McKinley*. It is my understanding that when this crew was ordered you were under the impression that the *President Madison* carried a white fireroom crew, but, as you undoubtedly know by this time, she carries a Filipino fireroom crew signed on at Manila for a round trip. We now have 34 firemen on our hands that we do not know exactly what to do with. It has been suggested that we keep these men here and transfer them to the various freighters as they arrive, but in view of the fact that this would necessitate the keeping of these Chinese here on pay for a long time I can not see how we can consistently carry out this plan.

After considering this matter from all angles my recommendation is that we retain 12 men to fill the complement in the engine room of the steamship *Hanley*, and that we transfer the other 22 men over to the *President Madison* to relieve the Filipinos at Hongkong, where the *Madison can ship* 12 additional Chinese to replace those held over for the *Hanley*.

I understand Mr. Horsman suggested to Mr. Wright that we retain the entire 34 men here and place them on the different freighters in various capacities; that is to say, both in the deck and engine departments. In view of the fact that these men were shipped as firemen I do not consider it practicable to put them on deck, because when employing Chinese seamen not speaking English, or speaking very little English, it is imperative that they know their business, and you can not expect a fireman to handle cargo gear and steer the vessel.

I do not see how we are going to explain this matter to the Shipping Board, but it seems to be a question of choosing the lesser evil, and therefore I have made the above recommendation.

ERIK G. FROBERG,
Port Captain Foreign Department.

Mr. KING. In further support of the assertion that the percentage of American seamen employed upon American ships is small, I ask leave to insert the statement which I send to the desk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Shipping Board vessels—Sailings for month of January, D2½, Port of San Francisco

Vessel	Operator	Total crew	American	Alien	Percentage American
President Cleveland.	Pacific Mail	237	44	193	18.5
President Taft	do	240	52	188	21.7
Las Vegas	Swayne & Hoyt	35	10	25	28.6
West Jappa	do	33	14	19	42.4
West Ivan	Struthers & Barry	34	15	19	44.2
Stockton	do	36	12	24	33.4
Hagen	do	35	31	4	88.9
West Cajoot	do	37	21	16	56.8
Average per cent for month.					41.8

NOTE.—President Cleveland, 134 Chinese, 56 Filipinos; President Taft, 134 Chinese, 52 Filipinos; Las Vegas, 22 Filipinos; West Jappa, 19 Filipinos; West Ivan 16 Filipinos; Stockton, 24 Filipinos; West Cajoot, 8 Filipinos; Hagen, full white crew.

Mr. KING. Mr. President, undoubtedly the influence of the International Shipping Federation is unfavorable to the development of an American merchant marine. This organization is powerful, and its objects are set forth in the memorandum which I ask may be printed in the RECORD without reading.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE COMPANIES (CONSOLIDATION) ACT, 1908

COMPANY LIMITED BY GUARANTY AND NOT HAVING A CAPITAL DIVIDED INTO SHARES

(Memorandum of Association of the International Shipping Federation (Ltd.))

1. The name of the company (hereinafter called "the company") is The International Shipping Federation (Ltd.).

2. The registered office of the company will be situate in England.

3. The objects for which the company is established are:

(1) To federate for the purposes hereinafter expressed or some of them associations of shipowners formed for the support or protection of shipowners or the promotion of defense of their interests and associations formed by shipowners or other persons or for any other objects which the company shall consider analogous or conducive and whether incorporated or not incorporated and whether formed in the United Kingdom or abroad and whether already existing or hereafter formed and their nominees.

(2) To consider all questions affecting the interests of the shipping trade and other trades connected therewith and to do all such things as may seem expedient with a view to the promotion of such interests.

(3) To procure the adoption, improvement, repeal, abrogation, or alteration of any laws, maritime contracts, usages, and customs in relation to such trades which it may seem to the company desirable to adopt, improve, repeal, abrogate, or alter, and to oppose delay and resist any enactments, rules, regulations, by-laws, customs, or usages which may seem adverse to the interests of such trade or any department thereof.

(4) To indemnify any persons and companies interested in the shipping trades or other trades connected therewith against losses, liabilities, and contingencies in relation to any such trade, and generally to carry on any kind of guaranty and indemnity business other than employers' liability insurance.

(5) To establish and maintain in any parts of the world bureaus or registries for engaging the services, whether in relation to navigation or management of ships or vessels or in loading or discharge of cargoes or any other operations, whether on land or sea, of officers, managers, stewards, clerks, messengers, servants, seamen, firemen, laborers, and other persons employed in any such business and for collecting and supplying information to members of the company and others in relation to any of the said businesses, and to supply such services and information accordingly, whether gratuitously or otherwise, as may be deemed expedient.

(6) To communicate with any other like federation, association, or company, whether incorporated or not, in any parts of the world, and concert with it in promoting measures of any kind which the company is authorized to promote.

(7) To diffuse amongst the members information on all matters affecting the shipping trade, and to print, publish, issue, and circulate such papers, periodicals, books, circulars, and other literary undertakings as may seem conducive to any of these objects.

(8) To raise funds for any of the purposes of the company, whether by entrance fees or periodical subscriptions from members or voluntary contributions from members or other persons, or otherwise.

(9) To purchase, take on lease or in exchange, hire, or otherwise acquire any real or personal property and any rights or privileges which the company may think desirable, and to hold, build upon, manage, improve, and develop, and to sell, lease, mortgage, or otherwise dispose of any such real or personal property rights or privileges for any estate or interest therein.

(10) To construct, equip, maintain, and alter or reconstruct any building or works necessary or convenient for the purposes of the company.

(11) To invest and deal with any moneys of the company not immediately required in such manner as may be determined.

(12) To borrow or raise and secure the payment of money in such manner as the company shall think fit.

(13) To undertake and execute any trust the undertaking whereof may seem desirable, and either gratuitously or otherwise.

(14) To transfer all or any part of the undertaking, assets, and liabilities of the company to any federation or association having objects altogether or in part similar to those of the company, or to amalgamate with any society or association having objects altogether or in part similar to those of the company.

(15) To enter into any arrangement with any authority, supreme, local, municipal, or otherwise, or any association or company, incorporated or unincorporated, in furtherance of any of the objects of the company, and to obtain from any such authority, association, or company any rights or privileges which may seem conducive to any of the objects of the company.

(16) To admit any members, whether eligible or not for membership, to be honorary members of the company, and to confer on any person contributing to the funds of the company without constituting them

members such rights and privileges as may be legally granted to persons not being members of the company and on such terms as may be expedient.

(17) To do all such other lawful things as are identical or conducive to the attainment of the above objects or any of them.

4. The liability of the members is limited.

5. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up during the time that he is a member or within one year afterwards for payment of the debts and liabilities of the company contracted before the time at which he ceases to be a member, and the costs, charges, and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves such amount as may be required, not exceeding £1,000.

COMPOSITION OF THE INTERNATIONAL SHIPPING FEDERATION (LTD.)

Board of directors: Britain, E. Pembroke, 34 Leadenhall Street, London, E. C., shipowner; Sweden, A. O. Wilson, Gothenberg, shipowner; Germany, P. Ehlers, Hamburg, shipowner and doctor of law; Denmark, C. Kronman, Copenhagen, chairman Danish Shipping Federation; Holland, J. Visser, Rotterdam, delegate for Shipping Federation of Holland; Belgium, J. Langlois, Antwerp, ship broker; Holland, J. Vink, Amsterdam, shipowner.

COPY OF THE REGISTER OF THE GENERAL COUNCIL OF THE INTERNATIONAL SHIPPING FEDERATION (LTD.)

Name, address, and occupation: Jacques Langlois, 7 Quai Van Dyck, Antwerp, average adjuster; Maurice Ortmane, 15 Canal des Brasseurs, Antwerp, ship broker; K. Reinhard, Borsen, Copenhagen, shipowner; A. O. Anderson, 22 Amellegade, Copenhagen, shipowner; C. Leist, Norddeutscher Lloyd, Hamburg, shipowner; Paul Ehlers, Adolphsbrucke 2, Hamburg, doctor of law; J. Vink, Messrs. Hudig, Voder & Co., Amsterdam, ship brokers; E. Indebeton, Sveriges, Redareforening, Gothenburg, master mariner; A. O. Wilson, Sveriges, Redaregorening, Gothenburg, shipowner; Thomas L. Devitt, 13 Fenchurch Avenue, London, E. C., shipowner; T. F. Harrison, 67 South John Street, Liverpool, shipowner; R. M. Hudson, Tavistock House, Sunderland, shipowner; Henry Radcliffe, the Docks, Cardiff, shipowner; Sir Walter Runciman, bart, Masonic Building, Pilgrim Street, Newcastle-on-Tyne, shipowner; F. S. Watts, 7 Whittington Avenue, London, E. C., shipowner; J. Visser, Messrs. Wambersie & Son, Rotterdam, ship broker.

Mr. JONES of Washington. Mr. President, I desire to have inserted in the RECORD a letter from Admiral Palmer dealing with and giving the facts with reference to this matter.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The letter is as follows:

FLEET CORPORATION,
OFFICE OF THE PRESIDENT,
Washington, D. C., February 10, 1925.

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Referring to my letter of yesterday, the sea service bureau, operated by the Shipping Board, informs me that with the exception of the steward's department much the larger percentage of the men on our ships are Americans, and that the percentage of Filipinos is very small, indeed. They have taken the month of January, 1925, and the west coast ports show:

	Deck department	Engine department	Steward department
On passenger ships:	*Per cent*	*Per cent*	*Per cent*
Americans	86	92	10
Filipinos	0	0	0
Lascars	0	0	0
On cargo ships:			
Americans	83	87	41
Filipinos	0	0	19
Lascars	0	0	0

On the east coast, where we have far the greater number of vessels, the percentages are as follows:

	Deck department	Engine department	Steward department
On passenger ships:	*Per cent*	*Per cent*	*Per cent*
Americans	98.1	58.3	27.6
Filipinos	0	1.9	0.7
Lascars	0	0	0
On cargo ships:			
Americans	87.5	89.2	77
Filipinos	0.4	2.2	8
Lascars	0	0	0

You will see from the above that we have a very good percentage of Americans in the engine and deck departments and a very small percentage of Filipinos; also that there are no Lascars in any part of the service.

Sincerely yours, L. C. PALMER.

The PRESIDING OFFICER. The bill is still before the Senate as in Committee of the Whole and open to amendment. If there be no further amendment to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. CURTIS. I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 33 minutes p. m.) the Senate adjourned until Monday, February 16, 1925, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

SATURDAY, *February 14, 1925*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

From Thee, O God, has come the divine estimate of human life! We thank Thee for the marvelous relationship between our infinite Creator and His children. Bless us with the wonderful thought that we are in this world to be more than conquerors through Him who hath loved us. Strengthen us for all conflicts; may we face them cheerfully and courageously. In all situations help us to be diligent and faithful, patient and hopeful, and to realize that nothing finally wrong can live. When we reach the closing scenes of life may we be counted worthy among those who shall receive an inheritance incorruptible and that fadeth not away. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJUDICATION OF CLAIMS OF CHIPPEWA INDIANS OF MINNESOTA

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to withdraw the conference report on the bill (H. R. 9343) to authorize the adjudication of claims of the Chippewa Indians of Minnesota.

The SPEAKER. The gentleman from New York asks unanimous consent to withdraw the conference report on the bill, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2865. An act to define the status of retired officers of the Regular Army who have been detailed as professors and assistant professors of military science and tactics at educational institutions, and for other purposes;

S. 3883. An act providing for the acquirement by the United States of privately owned lands in San Miguel, Mora, and Taos Counties, N. Mex., within the Mora grant, and adjoining one or more national forests, by exchanging therefor timber, within the exterior boundaries of any national forest situated within the State of New Mexico or the State of Arizona; and

S. 3967. An act to authorize the Postmaster General to rent quarters for postal purposes in certain cases without a formal written contract, and for other purposes.

The message also announced that the Senate had passed without amendments bills of the following titles:

H. R. 9494. An act to enable the Board of Supervisors of Los Angeles County to maintain public camp grounds within the Angeles National Forest; and

H. R. 10287. An act authorizing preliminary examination and survey of the Caloosahatchee River in Florida, with a view to the control of floods.

SENATE BILLS REFERRED

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2865. An act to define the status of retired officers of the Regular Army who have been detailed as professors and assistant professors of military science and tactics at educational institutions, and for other purposes; to the Committee on Military Affairs.

S. 3883. An act providing for the acquirement by the United States of privately owned lands in San Miguel, Mora, and Taos Counties, N. Mex., within the Mora grant, and adjoining one or more national forests, by exchanging therefor timber, within the exterior boundaries of any national forest situated within the State of New Mexico or the State of Arizona; to the Committee on the Public Lands.

S. 3967. An act to authorize the Postmaster General to rent quarters for postal purposes in certain cases without a formal written contract, and for other purposes; to the Committee on the Post Office and Post Roads.

S. J. Res. 177. Joint resolution to amend section 2 of the public resolution entitled "Joint resolution to authorize the operation of Government-owned radio stations for the use of the general public, and for other purposes," approved April 14, 1922; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bill:

H. R. 4610. An act for the relief of the estate of Filer McCloud.

EULOGY ON THE LATE SAMUEL GOMPERS BY MISS GUARD

Mr. CASEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a short eulogy of the late Samuel Gompers by Miss Guard, who was his confidential secretary for 25 years before his death.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. CASEY. Mr. Speaker, under the leave granted to extend my remarks I insert a short eulogy on the late Samuel Gompers by Miss Guard, who was his confidential secretary for 25 years before his death.

The eulogy is as follows:

"I have fought a good fight, I have finished my course, I have kept the faith."

"Was it not worth it, just to dare to be
One's simple self, to think, to live, to do,
And not be ashamed? To live one's life
Fearless and pure and strong, true to oneself,
Though the false world were full of lies and hate,
And blind men lead each other through the dark,
To weak to sin, ashamed of what is good,
Unable to do evil, thinking it?"

Again between the living and the dead the impenetrable veil has fallen—that mysterious veil which all of science can not lift, before which faith, abashed, can only kneel, beyond which religion may not step. All paths end here. Whether Dives or Lazarus, none may escape these dread portals. From that pilgrimage beyond no traveler has ever yet returned; out of that profound silence no smallest word has ever yet been spoken.

The democracy of death recks not of king or serf. The relentlessness of his chisel fashions alike in frozen marble the lips of age and those of youth.

Samuel Gompers is dead. He has set sail upon that tideless sea whose ships drift out never to return. He has gone into that tremendous vista of silence where dwell the unnumbered hosts.

The bell that tolls above his bier is heard "On Greenland's icy mountain and India's coral strand," for they who hew the world's wood and mine its coal, who build its bridges and sail its ships, who drive its engines and harness its electricity, mourn his passing. He was their friend; there was none greater, none more true. He understood the men of toil, for he lived their lives, he spoke their language. With them he toiled at the shoemaker's bench, the cigar maker's table. Their sorrows were his sorrows, their struggles his struggles. Unflinchingly he fought their battles; untiringly he builded for their weal. He went hungry with them. His wife and children with theirs knew what it was breathlessly to watch for the raven's visit.

His birth-star arose above the slums of a great city. His childish feet knew not the feel of green-swathed turf. The song of birds, the perfume of flowers, the magic of water purling over pebbles where the willows bend were not for him. The bitter needs of life too early clasped his boyish fingers to the shoemaker's awl, the cigar maker's blade. The stitching of leather, the monotonous rolling of brown leaves, mercilessly pressed downward the wondering, eager eyes of childhood. Not for him the dazzling silence of starry skies, the shimmer of sunlight on pink and white masses of apple trees in springtime, the stately march of towering mountains beneath the flaming red and gold of sunset skies.

Drab streets and leaden walls that encircle "the sad and simple annals of the poor" hold little of storied song or picture, yet the young lad, bent above his daily task, dreamed dreams and caught the shining radiance of a vision that led him afar, even unto the gates and into the presence of the high and mighty ones of earth.

Statesman and lawmaker, financier and philanthropist, president and king, soldier and sailor, musician and artist, the writer of books and the singer of songs, the healer of bodies and the doctor of souls, all were his friends, all paid tribute to the greatness of his soul, the brilliancy of his mind, the tenderness of his heart.

He was not the Columbus of the labor movement, but that he would have been its Casabianca had the need arisen no one who knew him could doubt.

He voiced the cry of the inarticulate multitude, the human cry for better homes, better food, for opportunity for leisure to inhale the perfume of flowers and gaze upon their beauty; to bask in the sunlight; to study the stars and muse in the moonlight; to loiter by the limitless ocean; to thrill to the music of the world's greatest artists; to drink in the beauty of the painted canvas, the sculptured marble; to make friends with the great minds of all ages.

To break the shackles of the toiling giant Labor; to lead him from his belching furnace, from the dust and grime of his factory, from the blackness of his mine, step by step into the glory of understanding the ethereal beauty of a Raphael, the exquisiteness of a Michelangelo, is a concrete demonstration of a scientific principle of industrial life underlying the safety of government.

To transform despair into courage, to inspire hope for despondency, to guide the faltering steps of weakness into the pathway of strength and duty, to turn the tears of grief into the swelling tide of joy, to bring sunlight out of darkness—is there more noble aim for man to struggle to attain?

Ambition spurred him, a noble, unselfish ambition to give and give of self in the service of humanity. That which was paramount in his life was duty, service. When duty called no other consideration weighed; to service he consecrated his devotion, his love.

Kindliness, charity, faith, friendliness, love, hope, cheer, belief—these he gave in unstinted measure to all supplicants at the wide-open door of his heart.

He was neither awed by position nor coerced by rank. He bowed to no man for place or power; he was unfettered by pledge or promise. That for 40 years the men and women of labor should have placed and replaced the scepter in his hands was but the recognition of his selfless, burning desire to serve those who most need service, the demonstrated wisdom of his leadership, the established incorruptibility of his character.

He had no personal ends to serve. He cared not whether his was the popular cause, whether his was the smooth and pleasant road. Reckless of consequences to himself, with blazing, fearless zeal he threw into the battle for right and justice the full power of his keen mind, the concentrated force of his trained intelligence, the strength of his profound knowledge of human nature.

He had "the courage which inspires a man to do his duty, to hold fast his integrity, to maintain a conscience void of offense at every hazard, every sacrifice, in defiance of the world." He was hated, feared, loved, reverenced, denounced, applauded, condemned, but neither the howlings of the mob nor the pæans of the multitude could swerve him from his high and lofty ideals. There was no sordid stain "on the mountain peak of his integrity." Faithful to his friends, just to his enemies, he was fair to all mankind.

His lips knew well the unquenching bitterness of the waters of Marah; the stones up Calvary's toilsome way had marked his tired steps; yet his soul lost not its undaunted courage, his heart kept ever bubbling its spring of hope, the eyes of his faith looked away and above and visioned the radiance of a future whose splendor undimmed glowed through the illimitable distance.

His soul was free. He was unshackled by creed or dogma. To make to-day better than yesterday, to make to-morrow better than to-day, was to him a devout religious belief.

He worshipped at no temple save the great, unwalled, undomed temple of freedom; for freedom was his ideal, the ultima Thule of all his struggles—that freedom which waits upon the altar of truth and justice.

Liberty was his passion, justice his devotion, humanity his love.

A man of dreams and visions, of fire and passion, he was yet the epitome of practical action and achievement.

Strongly magnetic, overflowing with wise and understanding sympathy and love that are wholly divorced from maudlin sentiments, without conscious effort he drew men to him and held them in bonds of strong and unchanging friendship. He inspired devoted love and commanded unsought that unquestioning loyalty for which kings and rulers have sighed in vain and for which their kingdoms' treasures were a guerdon small.

Samuel Gompers was no misanthrope, no wailing Jeremiah. He loved life because he understood life and was in attune with its

ecstacies and tears, with its thrills and pangs, its roses and thorns, its sunshine and shadow, its crosses and crowns, its Golgothas and Pisgahs.

He loved his fellow men. In his heart malice found no place. He forgave his enemies—and forgot them. The complexities of his many-sided nature harbored naught of hatred or revenge. There was too much to be done in the short span of one life to squander golden hours in the uselessness of hatred. He might loathe, abhor, the words, the policies, the deeds of others; he might express just resentment and indignation because of those who maligned and vilified him, who ascribed to him base, dishonorable motives, but never did he seek reprisal. Revenge was not for him. He firmly believed that truth is mighty and will prevail. He was always ready to build the golden bridge that his enemy might cross over to him, and this was not actuated by policy. It was the normal expression of his nature.

Great souls, broad minds, warm hearts have no time for the withering blight and smallness of revenge.

Human nature was his absorbing, ceaseless study. He comprehended its weakness no less than he understood its strength, for he was very human—he knew himself. He knew his fellow men profoundly—the heights to which they rise, the depths to which they sink. For their victories, none more quick to give full, generous meed of praise; for their mistakes, none so patient in that charity that "suffereth long and is kind." To the men and women of labor, if he felt impelled to censure, it was given face to face. Before the critics of labor, if his sense of justice would not permit defense, he refused to condemn. If he could not lift up he would not shove down. If he could not help he would not injure. Never would his voice mingle with the howling of the mob—"Crucify him, crucify him!" Too well he knew that there is ever waiting a Judas to betray, a would-be Cæsar to destroy.

Vanity he had not, for vanity is but the handmaiden of weakness. Tremendous pride was his, the pride that accepts without complaint the consequences of one's acts, ever ready to snatch victory from defeat, to meet disaster with a smile; the conscious pride of rectitude that fears no probe, that courts the pitiless light of full publicity.

Neither promise of success could lure nor fear of failure frighten him from the great highway of right. The primrose path, melting into wide vague distances, held for him no charm. His was a mind of definite clearness, his a character of unpurchasable integrity. For him the glitter of gold held no allure. If affluence and ease had been his goal, wealth could have been his for the lifting of a finger. To offer him "all the sun sees, or the close earth wombs, or the profound seas hide," tempted him not. Poverty was no cross, riches would have been a burden.

He was imperious yet gentle, and, like all great souls, he had the heart and the winning simplicity of childhood.

His was a nature of deep affection, the proud affection which gratefully accepts but which never requests.

In the pain of those he loved he was the veriest coward; for himself suffering but evolved the strength with which to bear it.

He was as keenly sensitive as the tenderest woman, but no slander, hatred, envy, contumely could swerve him from his rightful course.

He lived with his own self-respect, he ever sought his own approbation. Secure in that, he could live serene no matter how the storms might rage.

That the forces of destiny molded his life into the world's greatest labor statesman took from the realm of music a possible interpreter of extraordinary promise. Through all his life his most entrancing, exquisite happiness centered in the opera. There was no weariness so profound, no disappointment so keen, no hurt so heartbreaking, but that an evening at the opera could not bestow its compensating benediction.

To physical fear he was a stranger; his life's achievements were a surpassing demonstration of unconscious moral courage. Few there are who knew that in the last years of his life he lived in almost total blindness. He was dependent upon some one to walk with him, to travel with him, to read to him. At the age when the average man considers active life as ended, more than half blind, he "carried on," accomplishing a prodigious amount of varied work that well might tax a man 40 years his junior. Never was he heard to complain, never did he make a friend or colleague feel uncomfortable or ill at ease because of his handicap. So perfect was his manner, so quick, keen, retentive his mind that his friends forgot his semiblindness; acquaintances and strangers did not suspect it. And that was as he wished it to be—no plea for sympathy, no special consideration because of physical disability, but only a strong man bravely fighting the battle of life and believing with all the intensity of his soul that the battle in which he was engaged was for the ultimate good of all the people.

Born under a foreign flag, as a child brought across the waters to the land of his parents' adoption, in boyhood and young manhood, in maturity and in age, he loved his country with a flaming, consuming passion. "My country, 'tis of thee, blest land of liberty," were to him no idle words. To him they literally meant "land of liberty," and with all the ardor of his intense nature he unremittingly denounced that which savored of unfreedom, of restriction of liberty.

He believed in his country, in the matchless greatness of its institutions, in the fundamental principles upon which its government is founded. To quote his words:

"America is not merely a name. It is not merely a land. It is not merely a country, nor is it merely a sentiment. America is a symbol; it is an ideal. The hope of all the world can be expressed in the ideal—America."

He attacked, opposed, not government but those who in high places would subvert the tremendous power of office to ignoble ends. For such he had only scorn, but scorn tempered with the understanding of human weakness, of the limitation of human intelligence, with the belief that—

"When the sun grows cold
And the stars are old
And the leaves of the judgment book unfold——"

Such will be found the admixture of good and evil, of strength and weakness, that only charity should be shown the man, unceasing warfare waged against the evil of his deeds.

Because above all else he would have his country great and free; because he would have it become the beacon star of hope for all the world, leading the peoples of the earth to that which is highest and noblest, purest and best in the development of humanity toward that goal where men may become as gods; because in all his life he knew not to advocate a reform or to struggle for a principle on the ground of personal preferment or gain, he was fearless in his attacks to correct evils, relentless in his efforts to abolish abuses, unflinching in his warnings of threatening perils.

Always unafraid, always alert to danger to the country he loved so well, to the toilers he served so generously, to those who come after him the memory of his life will forever be an inspiration to nobler manhood, to higher ideals.

His life was a demonstration of himself; not an apology for himself.

To the last hour of his life he was as full of hope as is the budding springtime. He carried lightly his more than three score years and ten. He found no time to sit in the shadows of the evening dreaming of the days that had passed. The tranquil, downward path that loiters through the quiet, green valley knew not his step.

The glow of the sunrise was ever in his eyes—the mountain peaks of the East forever beckoned to yet greater heights to soar.

He had no yesterdays. He lived to-day, and while he lived and worked his eyes visioned afar the golden promise of the future—to-day was ever lived to shape to-morrow for its fulfillment.

Samuel Gompers is dead, but the world is richer that he lived; for goodness does not die; character lives on, love reaches beyond the trappings of woe, the austerity of death—for love alone is immortal.

The legacy he left to his friends is the memory of a true, an honest, an unstained life, consecrated to the service of justice, freedom, humanity.

Liberty has written his name in letters of fire that all of time can not efface.

History has inscribed his deeds in records that the future can not change.

Nature was kind to him. While yet the sunset colors painted deep the western sky, wrapped in the "dreamless drapery of eternal peace," she laid him down to sleep beneath the evening star. Failing powers, that tragedy of advancing age, had not swept him from the arena of active achievement. He died as he had lived, as he had wanted to die, in the full panoply of service.

"To outlive usefulness is a double death."

FEDERAL REGULATION OF MOTION PICTURES

Mr. SWOOPE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Federal regulation of motion pictures.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. SWOOPE. Mr. Speaker, H. R. 6821 provides for a Federal motion-picture commission, with the power to regulate or censor motion pictures. While a deputy attorney general of Pennsylvania I represented the Commonwealth in many hundreds of cases in which the Pennsylvania State Board of Censors was the prosecutor. I became greatly interested in this subject, and therefore should like to say a few words on the pending bill.

This bill does not require a constitutional amendment to authorize Congress to legislate on the subject. Motion-picture films are undoubtedly articles of interstate commerce, and Congress has the constitutional right to control and regulate

them. In Pensacola Telegraph Co. *v.* Western Union (96 U. S.) the Supreme Court said:

The powers thus granted are not confined to the instrumentalities * * * known or in use when the Constitution was adopted, but they keep pace with the progress of the country and adapt themselves to the new developments of time and circumstances.

In accordance with the principle here laid down, the term "commerce" includes "the transmission of ideas," the necessary contracts, and so forth. (Houston *v.* Meyes, 201 U. S. 321.)

"The power to regulate means to foster, control, restrain." (Lottery cases, U. S. 321.)

Obscene publications are barred from transportation. (Clark *v.* U. S., 211 Fed. 916.)

So also are films representing prize fights. (Weber *v.* Freed, 239 U. S. 325.)

In Frohlich's "Law of Motion Pictures," it is stated that the right of Congress to legislate on this subject is conceded.

If this be so, then the only question to be considered is the advisability of censorship. In favor of the advisability of censorship legislation is the fact that nine States already have censor boards, and while in every State where they have such boards strenuous efforts have been made to abolish them, they still exist. In New York there is now considerable agitation to repeal the law of that State, and it is fathered by no less a person than the popular Governor of the Empire State himself.

But it seems to many of us that the arguments in favor of the censoring of motion pictures are convincing to anyone who will take an unprejudiced view of the matter. The best argument in favor of censorship I ever saw was a private exhibition of uncensored films conducted by the Pennsylvania State Board of Censors for the information of our legislators. Many obscene, nude, and licentious films, which had been submitted to our censor board and rejected, were shown. I think at least two-thirds of the members of the legislature were convinced that such films should not be shown to public audiences.

All those who have visited the city of Havana, Cuba, have been shocked by the obscene films shown there. It is even worse in the South American cities. These places have no censorship, and the greedy film producers can show anything they wish.

But it seems to me that the great reason for strict censorship of moving pictures is the child. A majority of picture-show audiences is made up of children from 5 to 15 years of age. These are particularly impressionable. An actual census was taken of the attendance in some of the leading picture theaters in Philadelphia, and it was proven that over half the audiences were children. The peculiar susceptibility of children and other ignorant persons to suggestion is well expressed by Prof. Samuel B. Heckman, of the College of the City of New York, in the following words:

One of the characteristics which mark the difference between children and adults is in their reaction; is that the imagination is less modified, is less controlled in relation to realities; that is, the experiences of children are frequently enlarged or magnified sometimes out of proportion to the thing that really happened.

Another characteristic difference is that lack of control. Another, and probably the most important of the differences between childhood and grown-up life, is that inability, particularly as it refers to the screen picture, to see a story through to the end. The child is impressed by the single picture, the single scene, and the activities it portrays and fails, nearly always, to evaluate those pictures and those scenes to the story as a whole. That is an influence which bears upon their lives.

A film story which may contain some picture of lawlessness or murder may be accepted by the intelligent adult as a justifiable moral picture, because in the end justice prevails, and the criminal, if he is one, is punished. But what impressed the child during that picture was the bravado, the kind of activity which the individual engaged in while performing that particular act, and that is what influences his life; he doesn't carry it through to the end to get the justification of the act in its whole setting.

The same argument for the censoring of moving pictures was adopted by the Supreme Court of Pennsylvania in a case where we appealed from an adverse decision of the court of common pleas of Philadelphia County. (See Goldwyn Distributing Corporation, 265 Pa. State Reports, pp. 344–345.) In this case, the supreme court said:

As a people, we have recognized certain lines of individual conduct in civil life as moral and virtuous. Their opposites we have condemned as immoral and vicious. Upon this distinction our civilization rests, and it becomes the highest duty of the legislature to guard and protect it from impairment. It will serve our purpose if we will indicate one of these lines of conduct; others will readily occur to the most casual reader. We refer to that line of conduct that pays highest deference and respect to the sanctity and purity of the home and family relation between husband and wife, upon which the home rests. To say of a series of pictures intended for public exhibition to promiscuous audiences or spectators composed largely of the youth of both sexes, which offers for its salient attraction, and to which all others are merely incidental and subordinate, the depicting of the adulterous relation, long continued, between a libertine and an immoral married woman, the legal wife of another, with no moral to be derived therefrom other than that the man who debauched the wife or another in this way runs the risk, if the wronged husband happens to be the stronger, of having his brow scarred with a knife in a way that its significance can only be understood by the parties to the occurrence, would not encounter serious opposition on the ground that its tendency would be to debase public morals, would be to reduce to a negative quantity the healthful moral influence exerted upon community life by faithful observance of the recognized moral standards. Whatever may have been the decline, if any, in the public observance of established moral standards, we are not yet prepared to accept any such conclusion.

If we favor censoring moving pictures, it follows that the censoring should be done by a Federal commission or board. This is the only way by which to fix uniform standards. At present a picture may be rejected in Ohio, and the same one may be exhibited in the other 47 States. In the report of the municipal committee of Cleveland made May 14, 1922, in which all the arguments pro and con on censorship are exhaustingly summed up, they come to the conclusion that some kind of Government regulation and control or censorship should be retained, at least for the present. Further, the committee said:

The committee believes that this function of regulation could best be exercised by the Federal Government. It is to be hoped that should a Federal board be established, the States would not deem it necessary to establish their own boards in addition and that those States already having boards would eventually dispense with them as unnecessary. The States and smaller political subdivisions should rely for protection on the Federal board, except in such cases where local conditions introduce an element concerning which the Federal board has no knowledge, or can exercise no discretion. In such cases the State or community could protect itself from the showing of an injurious film by the exercise of its local police power.

Your committee believed that if such a bill became a law, the public would be amply protected from suggestive, immoral, and obscene films and that, at the same time, the producer would be subject to the minimum of inconvenience and his investment would be much better protected than it is under the present multiboard system.

Mr. Levenson well sums up the whole movement for regulation or censorship of moving pictures by stating (Forum, April, 1923)—

The movement for the control of the movies which has developed within the past few years has spread over the world. England, India, Australia, Czechoslovakia, Sweden, Italy, Honduras, the Philippine Islands, Germany, Poland, the Provinces of Canada, and the cities of Japan have instituted various forms of regulatory legislation or "censorship" as the motion-picture industry would term it. Nowhere has such legislation been repealed once enacted.

When most of the civilized countries of the world have enacted such laws, it is surely time for the United States to get into line and at least try to bring about better pictures by a Government agency rather than by a national board of review, controlled by the film producers themselves. A disinterested Government agency offers the best court to decide questions affecting motion pictures, just as the courts of law are the preservers and guardians of the rights and liberties of the citizen. With all due respect to the millionaires who control the film industry, it can hardly be said that they are disinterested. It is a commercialized business like any other, and the producers are bound of necessity to think more of their profits than of the morals of the 20,000,000 children who make up such a large part of the audiences. But we who are not connected with the moving-picture business must think and do think of the millions of children who are growing up over all our immense territory, and whose standards of morals are nightly influenced by the picture shows. It is for their benefit that we advocate a Federal commission to regulate moving pictures.

PLUMAS NATIONAL FOREST, CALIF.

Mr. SINNOTT. Mr. Speaker, by direction of the Committee on the Public Lands I call up the bill (H. R. 103) for the inclusion of certain lands in the Plumas National Forest, Calif.,

and for other purposes, with Senate amendments, and move to concur in the Senate amendments.

The Clerk read the Senate amendments.

The Senate amendments were agreed to.

HOME PORTS OF VESSELS OF THE UNITED STATES

Mr. SCOTT. Mr. Speaker, I call up from the Speaker's table the bill (S. 4162) to establish home ports of vessels of the United States, to validate documents relating to such vessels, and for other purposes, an identical House bill having been previously reported.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the navigation laws of the United States and of the ship mortgage act, 1920, otherwise known as section 30 of the merchant marine act, 1920, every vessel of the United States shall have a "home port" in the United States, including Alaska, Hawaii, and Porto Rico, which port the owner of such vessel, subject to the approval of the Commissioner of Navigation of the Department of Commerce shall specifically fix and determine, and subject to such approval may from time to time change. Such home port shall be shown in the register, enrollment, and license, or license of such vessel, which documents, respectively, are hereinafter referred to as the vessel's document. The home port shown in the document of any vessel of the United States in force at the time of the approval of this act shall be deemed to have been fixed and determined in accordance with the provisions hereof. Section 4141 of the Revised Statutes is hereby amended to conform herewith.

SEC. 2. No bill of sale, conveyance, mortgage, assignment of mortgage, or hypothecation (except bottomry), which includes a vessel of the United States or any portion thereof, shall be valid in respect to such vessel against any person other than the grantor or mortgagor, his heirs or devisees, and any person having actual notice thereof, until such bill of sale, conveyance, mortgage, assignment of mortgage, or hypothecation is recorded in the office of the collector of customs at the home port of such vessel. Any bill of sale or conveyance of the whole or any part of a vessel shall be recorded at the home port of such vessel as shown in her new document.

SEC. 3. All conveyances and mortgages of any vessel or any part thereof, and all documentations, recordations, indorsements, and indexing thereof, and proceedings incidental thereto heretofore made or done, are hereby declared valid to the extent they would have been valid if the port or ports at which said vessel has in fact been documented from time to time had been the port or ports at which it should have been documented in accordance with law; and this section is hereby declared retroactive so as to accomplish such validation: *Provided*, That nothing herein contained shall be construed to deprive any person of any vested right.

SEC. 4. Wherever in the ship mortgage act, 1920, otherwise known as section 30 of the merchant marine act, 1920, the words "port of documentation" are used they shall be deemed to mean the "home port" of the vessel, except that the words "port of documentation" shall not include a port in which a temporary document is issued.

SEC. 5. All such provisions of the navigation laws of the United States and of the ship mortgage act, 1920, otherwise known as section 30 of the merchant marine act, 1920, as are in conflict with this act are hereby amended to conform herewith.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. SCOTT, a motion to reconsider the vote by which the bill was passed, was laid on the table.

PURCHASE OF UNAPPROPRIATED PUBLIC LANDS

Mr. SANDLIN. Mr. Speaker, I call up from the Speaker's table the bill (H. R. 9765) granting to certain claimants the preference right to purchase unappropriated public lands, with Senate amendments, and move to concur in the Senate amendments.

The Clerk read the Senate amendments.

The Senate amendments were agreed to.

QUARANTINE STATION AT ALABAMA

Mr. McDUFFIE. Mr. Speaker, I call up the bill (H. R. 8090) an act authorizing the Secretary of the Treasury to remove the quarantine station now situated at Fort Morgan, Ala., to Sand Island, near the entrance of the port of Mobile, Ala., and construct thereon a new quarantine station, with a Senate amendment.

The Senate amendment was read.

Mr. McDUFFIE. I move to concur in the Senate amendment.

The motion was agreed to.

QUARTERLY MONEY-ORDER ACCOUNTS BY THIRD AND FOURTH CLASS POSTMASTERS

Mr. SPROUL of Illinois. Mr. Speaker, I call up the bill (H. R. 4441) an act to provide for quarterly money-order accounts to be rendered by district postmasters at third and fourth class post offices, with Senate amendments.

The Senate amendments were read.

Mr. SPROUL of Illinois. Mr. Speaker, I move to concur in the Senate amendments.

The Senate amendments were agreed to.

THE LONGWORTH HEIR

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, the news has come to this Chamber that a daughter has been born to the majority leader and Mrs. Longworth. [Applause.] I am sure that the Members of the House will join enthusiastically in extending congratulations to the father and the mother, and wishing this daughter of such distinguished lineage a happy, fine, and glorious life. [Applause.]

Mr. UPSHAW. Mr. Speaker, I rise to add my congratulations to what has just been so beautifully said by the minority leader and to further say that if the congested condition of legislation in these closing days of Congress did not almost prohibit I think it would be a proper recognition of this happy event to declare, like the hero of Ticonderoga, "in the name of the Continental Congress and the Lord God Almighty" and also in the name of Theodore Roosevelt Longworth, or Nicholas Longworth, jr. [great laughter], that this Congress should adjourn for the day.

A MEMBER. It is a girl. [Great laughter.]

Mr. UPSHAW. The laugh is on me, but I had just entered, as the gentleman from Tennessee referred to "the happy event," and I jumped at the conclusion just expressed. Suppose we call her Princess Alice Roosevelt Longworth and adjourn two days instead of one. [Laughter.]

FEES FOR GRAZING LIVESTOCK ON NATIONAL FORESTS

The SPEAKER laid before the House the following communication from the Senate:

IN THE SENATE OF THE UNITED STATES,
February 3 (calendar day, February 13), 1925.

Ordered, That the House of Representatives be requested to return to the Senate the bill S. 2424, entitled "An act to reduce the fees for grazing livestock on national forests."

Attest:

GEORGE A. SANDERSON, *Secretary.*

The SPEAKER. Without objection, the order will be complied with.

There was no objection.

THE CHINA TRADE ACT

Mr. GRAHAM. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7190) to amend the China trade act of 1922.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. TILSON in the chair.

The CHAIRMAN. When the committee rose the time remaining to the gentleman from Pennsylvania was 10 minutes and to the gentleman from Texas 20 minutes.

Mr. SUMNERS of Texas. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, if the gentleman from Missouri [Mr. DYER] yesterday had known that the chairman of the Committee on Rules was going to call up his China trade bill under special rule on Friday the 13th he would much have preferred it to have died a natural death than by hoodoo disaster.

The number 13 has figured largely in the legislative career of our friend from Missouri. You remember that in the Sixty-sixth Congress he had one very famous bill, H. R. 13, that never became the law——

Mr. DYER. Mr. Chairman, I make the point of order that the gentleman is not talking to the bill pending before the House, as provided in the rules.

Mr. BLANTON. I am just now getting down to it.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. BLANTON. Since that day his famous bill, numbered 13, has met with disaster, for he has not been able to get a favorable consideration of same by this Congress.

Here is the present question: This bill is class legislation. This bill seeks to exempt certain corporations from taxes. This bill discriminates against corporations that may be organized in the State of Missouri, or in the State of Pennsylvania, or in the State of New York, or in the State of Texas, or in any of the States. Why? To benefit a few big corporations now doing business in China. This matter was debated fully yesterday before the rule came to a vote, and on the rule, with the chairman of Rules here sponsoring it, with the prestige of his committee and his position behind it, the Members of this House sat here in their seats and heard the arguments, and when it came to a rising vote they voted 96 against the rule and only 71 for the rule. Then to get a position further on the floor of the House the roll had to be called, the absentees came in, and not knowing what they were voting on, voted blindly, in the dark, and naturally by a small majority, they beat us and were able to take this bill up. There ought to be a quorum here now to know about the provisions of this bill, and I predict that if the membership of the House knew all about it they would not pass the bill.

I am sorry that I have to disagree with the chairman of the Committee on the Judiciary [Mr. GRAHAM] so frequently. Personally I admire him and I appreciate him as a big strong man in this House, but I can not go with him on bills of this character; I can not go with him on class legislation of this character. Without taking up further time of the House, I hope that the House will vote down this bill.

Mr. SUMNERS of Texas. Mr. Chairman and gentlemen of the committee, I ask your attention while I state as well as I can my views of this legislation. It is a very important piece of legislation. It deals with a matter that every American citizen must recognize as being an important matter, namely, the development of American trade in China. As nearly as I can, in my time, I am going to make a somewhat comprehensive statement with regard to this whole proposition. It is very difficult to understand a matter of this sort when you have to get your information from those who are interested in the legislation where the locus of the thing is across the Pacific Ocean.

American enterprise engaged in an effort to capture business in China is confronted with a very great difficulty here, arising out of the policy of Great Britain and other nations in the method in which they deal with those who are undertaking to establish business in that country. We may as well recognize that fact first as last. When this matter was first presented to our committee the chief point urged was that it was impossible to get native Chinese citizens to put their money in a corporation, where the corporation has to pay an American tax, which indirectly taxed them. I recognized the force of that, and was willing to entirely eliminate the tax on the corporation proportionate to the holdings of the Chinese citizen. Then it was claimed that an American citizen living in China who had an opportunity under the British law to invest in a British corporation would not be required, if they proceeded in that direction, to pay a share of corporation tax on their proportionate holdings in the corporation. I distinguish between the earnings of the corporation and the payment of the tax on the dividends received by the individual stockholders. So, with a good deal of reluctance, I finally consented in my own mind to exempt them as to corporation taxes. We are now confronted with this additional proposition in the bill as it is now presented to the House, to exempt from corporation tax American capital invested in these corporations where the American is a resident of America or elsewhere. Here is what I am afraid of: I am afraid that big corporations in America or individual concerns engaged in manufacturing commodities sold in China, for instance, will organize subsidiary corporations, possibly owned by the corporation itself. A group of people on the inside, and, to use an expression in our country, could "milk" the American corporation—sell upon advantageous terms to their subsidiary corporations in China and escape the necessity of paying the corporation tax in America. That is my opposition to this feature of this bill.

Mr. WATKINS. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. To a very brief question.

Mr. WATKINS. If that evil should arise which the gentleman thinks may under this bill, the Congress could meet it when it does arise, could it not?

Mr. SUMNERS of Texas. Yes; that is true, but I see that evil on the horizon.

Mr. SNYDER. And that evil is difficult to ascertain, is it not?

Mr. SUMNERS of Texas. I understand the difficulty, and as I stated to the gentlemen of the committee, I had great hesitancy in coming to the conclusion that we could take the chance of exempting an American resident in China, because I see the opportunity to have people in China who really in fact are merely agents of people in America incorporate under the China trade act. I understood that difficulty, and I was willing to take that chance, but I am not willing to take the chance of exempting that share of the corporate tax represented by the money of Americans resident in America.

There has been a good deal of difficulty about understanding this bill. Some gentlemen who came to me to explain it in my judgment either have not been candid or they have not been informed. They have made statements to me which I have checked up, and which do not prove to be the fact. I may be unduly suspicious about this legislation, but I owe a duty to my colleagues on the floor of the House, and I am trying now to discharge it. I do not want to underestimate the value to American trade of having men resident in China who are so related to native capital that they can bring the native Chinaman into the corporation with them, into copartnership with them. I understand the value of that, and I would like to see that carried out. Gentlemen ought not to underestimate the value of that. I have indicated how far I have been willing to go.

There is another objection to this bill. Under the law as it is to-day we provide that the stock in these corporations must be sold at 100 cents on the dollar, and we stop there. There is an amendment proposed in this bill which, taken in connection with another provision in the bill, would open up this proposition to all sorts of stock-selling schemes, in my judgment.

In other words, somebody engaged——

Mr. GRAHAM. Will the gentleman yield?

Mr. SUMNERS of Texas. In other words, somebody engaged in selling stock in one of these corporations could get out an attractive prospectus and go out and sell stock for 150 cents on the dollar and put the 50 cents in his pocket. Now I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. No less than par was directed to be put into this bill for this purpose, that when a corporation has a capital and surplus and issued new stock it would be sold above par, and the only limitation is that no stock can be sold at less than par, and no stock can be issued unless par is paid into the treasury.

Mr. SUMNERS of Texas. There is another provision in this bill. The law as it now stands requires that 25 per cent must be subscribed and paid in to the agent who acts as custodian before the Government takes the initial step before granting the charter. I understand the reason urged in this bill is that the distance from China to Washington is so great that only subscription should be required, and that sufficient safeguard is provided by the requirement with reference to the delivery of the charter. Now I hesitate, I have always hesitated, as a member of the Committee on the Judiciary to undertake to deal with revenue legislation. We are not equipped to do that sort of thing. We do not understand those questions. Every session of Congress we have these suggestions for amendments here and there.

I have tried to make a plain statement as to my attitude and the reasons therefor. In the time remaining I will yield to anyone who desires to propound any question.

Mr. DOWELL. Will the gentleman yield?

Mr. SUMNERS of Texas. I do.

Mr. DOWELL. At the bottom of page 7, the last paragraph in the bill—I have not read the language in this, but I am making the inquiry as to what——

Mr. SUMNERS of Texas. The chairman of the Committee on the Judiciary will agree to amend that so as to save the gentleman pursuing the question further, but I am not going to agree myself as one member of this committee to any provision dealing with revenue and taxes. That responsibility does not belong to the Judiciary Committee. It does not properly understand that subject. That belongs to the Ways and Means Committee.

Mr. DOWELL. May I ask one other question? Is this to be amended or stricken out?

Mr. GRAHAM. I stated yesterday that section 29 was to be stricken out and an amendment made as follows:

Hereafter no corporation for the purpose of engaging in business with China shall be created under any law of the United States other than the China trade act.

Mr. SUMNERS of Texas. I am sorry I can not yield further.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. SUMNERS of Texas. I will.

Mr. BLACK of Texas. The question I wanted to ask was if we start out exempting American capital invested abroad, will not we encourage taking the capital out of the United States? I do not want to hamper business or prevent investment, but——

Mr. SUMNERS of Texas. I will say to my colleague I had difficulty with that proposition, but finally I came to the conclusion that if an American citizen would go to China and in China should enlist the aid and cooperation of Chinese capital, as does England and other great competitors of ours in international trade, I was willing to take that chance. I am willing to go to the point of exempting their share of the corporation tax. Oh, I know they talk about double taxation. I asked gentlemen who came before our committee if they would agree to a comprehensive, clear-cut legislative enactment to the effect that an American citizen resident in America should pay the same tax and have the same benefits and no more if invested in Chinese corporations as if invested in American corporations, but they were unwilling to accept it. They can talk about double taxation, but those who represented those interests are not willing to accept those terms. Are there any further questions, as I do not want to take up unnecessary time?

Mr. DYER. Will the gentleman yield?

Mr. SUMNERS of Texas. I will.

Mr. DYER. The gentleman knows—of course, he does not want the House to understand differently—there is a law, the China trade act, which this bill is only for the purpose of amending or, in other words, trying to correct?

Mr. SUMNERS of Texas. I understand that. Everybody understands that.

Mr. DYER. And the gentleman knows——

Mr. SUMNERS of Texas. Please ask me the question; do not tell me what I know.

Mr. DYER. Is it not a fact that the revenue part of this bill was submitted to the Committee on Ways and Means in the Sixty-sixth and the present Congress, and they are the ones that prepared the provision?

Mr. SUMNERS of Texas. I want the Committee on Ways and Means, the revenue committee of the House, on their own responsibility, to come into this House in regard to their propositions as to revenue.

Mr. RAMSEYER. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. RAMSEYER. Do I understand that under this amendment an American who invests $100,000 in this corporation and receives a dividend of $6,000, paid to him in America, would not be exempt? That is, this $6,000 would not be exempt?

Mr. SUMNERS of Texas. No. The percentage of the corporate tax represented by the $100,000 would not be paid into the Treasury.

Mr. RAMSEYER. Just that part?

Mr. SUMNERS of Texas. Yes; that is all.

Mr. GRAHAM. Mr. Chairman, I yield two minutes to the gentleman from California [Mr. MACLAFFERTY].

The CHAIRMAN. The gentleman from California is recognized for two minutes.

Mr. MACLAFFERTY. Mr. Chairman and gentlemen, it has already been stated, and it is entirely true, that there is not a man in this House who is not anxious for the furtherance of our foreign trade. It has been my lot to be in China, doing business as an American. I want you gentlemen to have a simple statement from me that will require but two minutes.

Let us not lose sight of the main point on account of theories and unfounded fears. If we make a slight mistake here to-day in the adoption of this amendment, it can be corrected. But I want to tell you that about 10,000 miles to the westward of where we are now there are hundreds of American business men who are trying to build up the outposts of our business in the Orient, who are eagerly waiting for this action, which I hope we will take to-day. And I want you also to remember that if we do not remove the restrictions against our nationals who are trying to do business in China you will give an advantage to the great foreign houses of Great Britain, Belgium, France, Germany, and other countries. I have been in the environment there, and I know whereof I speak; and I say to you, gentlemen, that there is no attempt here, by seeking the adoption of this amendment, to put anything over. Let us help our fellows who are trying to build up our business abroad, and if we find any corporation is abusing the relief that we give them now we can correct that, and I, for one, will be anxious to do it.

Mr. GRAHAM. Mr. Chairman, I yield three minutes to the gentleman from Oregon [Mr. WATKINS].

The CHAIRMAN. The gentleman from Oregon is recognized for three minutes.

Mr. WATKINS. Mr. Chairman and gentlemen of the committee, there is just one question involved in this matter. We now have the China trade act upon the statute books. We propose to amend it in two vital particulars, so as to give Americans the same privileges granted Englishmen. All the other amendments are of small matter, and very little contention is being raised to them.

Now, I want to explain to you the situation which this bill proposes to remedy. For example, a man owns stock in a domestic corporation; he makes, we will say, $5,000 in dividends, on which the income tax is collected at the source; that is, the dividend is taxed 12½ per cent, which is paid into the Treasury of the United States by the corporation. That is done in the case of every domestic corporation. The man who earns that gets the balance, amounting to about $4,375, which he reports in his income-tax return, but claims exemption on it because the tax was paid at the source. Now, what is the situation with respect to the fellow who owns the same amount of stock in a China trade act corporation? His dividend is taxed 12½ per cent; he then reports his dividend to the Treasury, and on the remainder, namely, $4,375, he pays the normal tax. In other words, it is repetitive taxation. That is, two Americans earn the same amount of money; one tax is asked in the domestic corporation and double taxation in the China trade corporation.

That is the first amendment, and his domicile makes no difference, whether here or in China; he pays one tax, but if you leave the law as it is he pays twice. No one can object to that amendment. Now, what is the second one? You might disagree upon it, but here is the proposition: Great Britain gives her people some encouragement to go to China and develop trade in China in order that her commerce might be developed and jobs at home made more plentiful. We want the Government of the United States to do the same to the citizens of America who go over there, not to the ones who remain at home. We now say to the Chinamen over there, "You turn over your $50,000 to us and we will see that you are not taxed on the dividend earned by the corporation." We do that for the Chinamen. Why not do it for the American citizen who goes to China and takes his family and raises his children over there? We do that much, I say, for the Chinaman. We propose to do as much for the American by this amendment. We propose to say to American citizens that any earnings you may make in a China trade act corporation shall be exempt, provided you reside in China. The purpose of the bill is to broaden the class of China trade act stockholders now exempt from individual income tax so as to include anybody, provided they are actual residents in China.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. WATKINS. I will have more to say about this as the bill is read for amendment, but I am saying to you now that this is an act that will develop trade in China; it ought to carry, because it will open up to the American farmer world markets, which in the final analysis means better prices. [Applause.]

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAHAM] has five minutes remaining. There is not time remaining on the other side.

Mr. GRAHAM. Mr. Chairman, I will say just a word or two in conclusion, and ask the attention of the Members of the House. I will state only what has been the result of careful examination and deliberation with respect to these two sections, the eleventh and twelfth sections of this bill. As to the mandatory part, relating to the corporation and how it is to be organized, we will discuss that under the five-minute rule, section by section, as it comes up.

Now, then, I wish to say to this House, as a deliberate judgment and opinion upon this bill, that there are only two changes made. One is the change made by the twelfth provision, which my distinguished and esteemed friend from Texas [Mr. SUMNERS] did not find against his reason, providing that those who dwell in China shall have this benefit for the promotion of trade and to induce them to go there and undertake and promote it. That leaves only the eleventh section.

Now, my friend from Arkansas [Mr. WINGO] stated yesterday that the Secretary of the Treasury did not approve of that.

His reference was only to the twelfth section, which has a single change in it. The word "citizen" is stricken out and the word "resident" is inserted, so that a resident in China, whether he be a Chinaman or an American, has the benefit of that provision. That is all there is to the twelfth section.

As to the eleventh section I wish to say that Mr. Mellon said:

> The principle of this change is substantially the same as of the amendment which passed the House last year and had the approval of the Treasury. I know of no reason why the Treasury's position on this matter should be changed.

That is an emphatic indorsement of the eleventh section.

Now, gentlemen, what does the eleventh section do? Remember that the difficulty under which these corporations are laboring is set forth in section 216 of the internal revenue act, relating to the declaration of income. An individual is treated in this manner:

> CREDITS ALLOWED INDIVIDUALS
>
> (a) The amount received as dividends (1) from a domestic corporation other than a corporation entitled to the benefits of section 262 and other than a corporation organized under the China trade act.

Now, what does that do? It prevents a citizen, in regard to his normal tax, from getting the benefit of the credit which every stockholder in every other domestic corporation gets. That is the truth. That covers trade in other countries, and every domestic corporation is entitled to that credit in making up the statement of income. Now, what is put in this bill for the purpose of relieving against that disadvantage? There is no provision here that capital shall be exempt, not a word, and I challenge anybody to show me a thing which says that capital shall be exempt. The only thing is this, a provision that the aggregate of American capital put into one of these corporations shall be ascertained and the corporation is relieved from paying 12½ per cent, the corporation tax, upon that portion of the capital. Now, why is that done? If a dividend is given, under this act and under the old law, to residents in China and others, that 12½ per cent is declared in a special dividend to the stockholder—to you or to me, if we have stock in such a corporation. That is in lieu of the provision which deprives us of claiming a credit for stock in a domestic corporation. It is calculated that as the normal tax is 4 per cent to a certain amount and 8 per cent to another amount that this offsets that if he gets the 12 per cent special dividend back, and there is no other change in the internal revenue law from the beginning to the end in this bill but what I have called your attention to. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired, and the Clerk will report the bill for amendment.

The Clerk read as follows:

> *Be it enacted, etc.*, That subdivision (a) of section 4 of the China trade act, 1922, is amended by striking out the word "Five" and inserting in lieu thereof the word "Three."
>
> SEC. 2. That paragraph (6) of subdivision (b) of section 4 of said act is amended to read as follows:
>
> "(6) The names and addresses of at least three individuals (a majority of whom, at the time of designation and during their term of office, shall be citizens of the United States), to be designated by the incorporators, who shall serve as temporary directors; and"

Mr. WINGO. Mr. Chairman, I move to strike out the last word. The trouble, Mr. Chairman, with this bill is not so much what the bill contains but the confusion that exists in the minds of the committee as to what it contains. My friend from Oregon [Mr. WATKINS] has been misled also. He and the gentleman from Pennsylvania [Mr. GRAHAM] have put up straw men and knocked them down, but nobody has raised the issues they discuss. You say, "What has that to do with the three? Why change it from five to three?" Let me show you the real reason for that. You have got to have at least two of them citizens of the United States. Now, a citizen of the United States has a legal domicile somewhere in the United States. So that you can get the effect of that on the tax exemption which comes on capital—and I reiterate to the gentleman from Pennsylvania that this does exempt capital. It lays down a formula by which a certain part shall be exempted, and under this provision and the changes you make in the law it will work out to a mathematical 100 per cent in most cases.

Mr. WATKINS. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. WATKINS. Does not the law of every State in the Union provide that three or more individuals can incorporate? And that is what this is doing—allowing three or more, instead of five or more to incorporate; and as far as that provision goes that is the meat of the whole matter.

Mr. WINGO. The trouble with my friend is—and it is my fault and not his—that he has not caught what I am talking about. There is no particular importance in the numerals 3, 5, or anything else. I am trying to show the gentleman he does not know what the present law does or what is intended by this bill. Did not the gentleman stand up here and say that if a man goes over to China, a citizen of the United States, and resides there he ought to have the same exemption and the same credit on his individual return that a stockholder living in the United States gets on his domestic corporation? Was not that the gentleman's contention?

Mr. WATKINS. No.

Mr. WINGO. What is the gentleman's contention?

Mr. WATKINS. I said that the United States Government should give to its citizens who will go there, reside there, and who develop our commerce and our trade, the same rights and benefits that it gives a Chinaman who lives there and turns over his money to us to use as capital to develop our trade.

Mr. WINGO. A citizen now of the United States who resides there has that exemption. This bill does not change that. The chairman of the committee stated correctly that one of the two principal changes you make is to change the word "citizen" to "resident." It is now limited to a citizen of the United States that resides in China. The gentleman proposes by this bill to make it apply to any person who resides in China, even though he be not a citizen of the United States.

Mr. GRAHAM. Will the gentleman yield?

Mr. WINGO. I yield.

Mr. GRAHAM. I read from the revenue act, section 216, these words:

> Credits allowed individuals: (a) The amount received as dividends, except other than corporations organized under the China trade act.

How is the American investor relieved from that, except by the plan proposed in section 11? He is not relieved from that and that stays the law, and he is bound to give his report and include his dividends received from China to-day, and the only thing he gets exempted is the 12½ per cent dividends on the amount of stock exempted from the 12½ per cent tax.

Mr. WINGO. Gentlemen, this is a practical illustration of the confusion. [Laughter.] I was discussing one proposition, and the chairman of the committee gets up here and interrupts me and vehemently attacks me for taking a position on another question that I had not even discussed. I intended to develop the proposition of the effect on the incorporators of the corporation tax, but I will meet my friend on his proposition, because I think his very suggestion was prompted by the suggestion of the gentleman from Oregon [Mr. WATKINS], who was confused by his own argument.

Mr. GRAHAM. Never mind its origin; answer it.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WINGO. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. GRAHAM. Mr. Chairman, I want to give notice I am going to object to extensions of time. I will not do so in this case, because I helped to consume the gentleman's time and I want to be fair to the gentleman, but we have got to get through with this bill some time to-day.

Mr. WINGO. I will put the gentleman on notice now that this bill is going to be debated to the extent necessary to be understood. [Applause.]

Mr. GRAHAM. I hope somebody will debate it who knows what it provides. [Applause.]

Mr. WINGO. The gentleman does not, and I can prove by the gentleman's own statement in the RECORD yesterday that he does not even know what the law is now, because he stated, on page 3689 of the RECORD of yesterday, that this bill proposed to do what? I read from the remarks of the gentleman from Pennsylvania [Mr. GRAHAM] yesterday:

> And it provides further that, so far as the taxing power is concerned, in order to put our corporations on an equality with the corporations that are its competitors, in China, there shall be counted all stocks held by citizens of the United States or citizens of China, and the aggregate of that stock shall be deducted in figuring the payment of 12½ per cent tax on the corporation.

In other words, the gentleman says this bill will allow you to count the stock owned by citizens of the United States or citizens of China.

Why, gentlemen, that is what the law does now, and I am going to read you the law. I have it right here. I am reading from page 8 of the China trade act: "By individual citizens of the United States or China resident in China." Thus it appears the gentleman was either not candid or does not know what the bill provides.

Now, what does this propose to do? It proposes to substitute for the word "citizen" in the present law the word "resident." The basis for exemption of your capital from taxation is now citizenship under the present law. The crux of the whole matter is that your present law exempts a citizen who is resident in China. This bill proposes to exempt not citizens but residents, of what? You will remember I asked the gentleman that yesterday, and because I differ from the gentleman he thinks I am discourteous and gets discourteous himself. I am trying to point out, as I have proven by his own statement, that the gentleman himself is confused or else is not candid. Look at the bottom of page 5 of the bill. Who are the exempted classes there? "Persons resident in China"—not citizens—"the United States, or possessions of the United States, and individual citizens of the United States or China wherever resident."

That is the change you propose to make.

Mr. GRAHAM. Does not the gentleman understand that that language does not refer to the exemption at all? That only refers to the class of stockholders who shall be counted in getting the aggregate of capital that is to be relieved from the 12½ per cent tax.

Mr. WINGO. Why, certainly; and if the gentleman will permit, that is what I am discussing. The gentleman tried to get me away from that and get me off on the personal-tax matter.

Mr. GRAHAM. The gentleman quotes that as the qualification for exemption, when it is not.

Mr. WINGO. It is the test on the capital exemption. In other words, I read what you said yesterday that the stock credits that should be made for the 12½ per cent capital exemptions were what? You stated that by this bill you made the deduction on the stock that was owned by citizens of the United States, and I prove by your present law that that is done now; and in this bill, in making the deductions, in figuring the 12½ per cent corporation tax, you do take that into consideration and add other exceptions. If the Members will turn to page 5 of the bill, at the bottom of the page, when you are figuring the deduction to be made on stock, this is the language:

That for the purpose only of the tax imposed by section 230 there shall be allowed, in the case of a corporation organized under the China trade act, 1922, a credit of an amount equal to—

Equal to what?—

to the proportion of the net income derived from sources within China—determined in a similar manner to that provided in section 217—which the par value of the shares of stock of the corporation owned—

Owned by whom?—

(1) Persons resident in China, the United States, or possessions of the United States; and (2) individual citizens of the United States or China wherever resident.

Thus it will be seen that I did know what the bill does, and the gentleman did not or was not candid.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired. The pro forma amendment will be withdrawn, and the Clerk will read.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The committee informally rose; and Mr. COLTON having taken the chair as Speaker pro tempore, a message in writing was received from the President of the United States by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved bills of the following titles:

On January 31, 1925:

H. R. 8308. An act authorizing the Coast and Geodetic Survey to make seismological investigations, and for other purposes;

H. R. 10947. An act granting the consent of Congress to the county of Allegheny, Pa., to construct a bridge across the Monongahela River in the city of Pittsburgh, Pa.;

H. R. 11168. An act granting the consent of Congress to S. M. McAdams, of Iva, Anderson County, S. C., to construct a bridge across the Savannah River; and

H. R. 10152. An act granting the consent of Congress to the Huntley-Richardson Lumber Co., a corporation of the State of South Carolina, doing business in the said State, to construct a railroad bridge across Bull Creek at or near Eddy Lake, in the State of South Carolina.

On February 2, 1925:

H. R. 7064. An act to encourage commercial aviation and to authorize the Postmaster General to contract for air mail service.

On February 5, 1925:

H. R. 3132. An act for the relief of the William J. Oliver Manufacturing Co. and William J. Oliver, of Knoxville, Tenn.

On February 6, 1925:

H. R. 6303. An act to authorize the Governor and Commissioner of Public Lands of the Territory of Hawaii to issue patents to certain persons who purchased Government lots in the district of Waiakea, island of Hawaii, in accordance with act 33, session laws of 1915, Legislature of Hawaii;

H. R. 7399. An act to amend section 4 of the act entitled "An act to incorporate the National Society of the Sons of the American Revolution," approved June 9, 1906; and

H. R. 9138. An act to authorize the discontinuance of the seven-year regauge of distilled spirits in bonded warehouses, and for other purposes.

On February 6, 1925:

H. R. 11501. An act for the exchange of land in El Dorado, Ark.

On February 7, 1925:

H. R. 2313. An act authorizing the issuance of a patent to William Brown;

H. R. 3913. An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States;

H. R. 5423. An act to amend section 2 of the act of August 1, 1888 (25 Stat. L. p. 357);

H. R. 6660. An act for the relief of Picton Steamship Co. (Ltd.), owner of the British steamship *Picton;*

H. R. 9162. An act to amend section 128 of the Judicial Code, relating to appeals in admiralty cases;

H. R. 9380. An act granting the consent of Congress to Board of County Commissioners of Aitkin County, Minn., to construct a bridge across the Mississippi River;

H. R. 9827. An act to extend the time for the construction of a bridge across the Rock River, in the State of Illinois;

H. R. 10030. An act granting the consent of Congress to the Harrisburg Bridge Co., and its successors, to reconstruct its bridge across the Susquehanna River, at a point opposite Market Street, Harrisburg, Pa.;

H. R. 10150. An act to revive and reenact the act entitled "An act to authorize the construction of a bridge across the Tennessee River at or near the city of Decatur, Ala.," approved November 19, 1919;

H. R. 10645. An act granting consent of Congress to the Valley Bridge Co. for construction of a bridge across the Rio Grande near Hidalgo, Tex.;

H. R. 10688. An act granting the consent of Congress to the State of North Dakota to construct a bridge across the Missouri River between Williams County and McKenzie County, N. Dak.;

H. R. 10689. An act granting the consent of Congress to the State of North Dakota to construct a bridge across the Missouri River between Mountrail County and McKenzie County, N. Dak.; and

H. R. 11036. An act extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway Co.

On February 9, 1925:

H. R. 26. An act to compensate the Chippewa Indians of Minnesota for lands disposed of under the provisions of the free homestead act;

H. R. 1326. An act for the relief of Clara T. Black;

H. R. 1717. An act authorizing the payment of an amount equal to six months' pay to Joseph J. Martin;

H. R. 1860. An act for the relief of Fanny M. Higgins;

H. R. 2258. An act for the relief of James J. McAllister;

H. R. 2806. An act for the relief of Emil L. Flaten;

H. R. 2811. An act to amend section 7 of the act of February 6, 1909, entitled "An act authorizing the sale of land at the head of Cordova Bay in the Territory of Alaska, and for other purposes";

H. R. 2977. An act for the relief of H. E. Kuca and V. J. Koupal;

H. R. 3348. An act authorizing the Secretary of the Treasury to pay a certain claim as the result of damage sustained to the marine railway of the Greenport Basin & Construction Co.;

H. R. 3387. An act authorizing repayment of excess amount paid by purchasers of certain lots in the town site of Sanish, formerly Fort Berthold, Indian Reservation, N. Dak.;

H. R. 3411. An act for the relief of Mrs. John T. Hopkins;

H. R. 3595. An act for the relief of Daniel F. Healy;

H. R. 4280. An act for the relief of the Chamber of Commerce of the City of Northampton, Mass.;

H. R. 4290. An act for the relief of W. F. Payne;

H. R. 4374. An act for the relief of the American Surety Co. of New York;

H. R. 4461. An act to provide for the payment of certain claims against the Chippewa Indians of Minnesota;

H. R. 5096. An act to authorize the incorporated town of Sitka, Alaska, to issue bonds in any sum not exceeding $25,000 for the purpose of constructing a public-school building in the town of Sitka, Alaska;

H. R. 5448. An act for the relief of Clifford W. Seibel and Frank A. Vestal;

H. R. 5752. An act for the relief of George A. Petrie;

H. R. 5762. An act for the relief of Julius Jonas;

H. R. 5774. An act for the relief of Beatrice J. Kettlewell;

H. R. 5819. An act for the relief of the estate of the late Capt. D. H. Tribou, chaplain, United States Navy;

H. R. 5967. An act for the relief of Grace Buxton;

H. R. 6328. An act for the relief of Charles F. Peirce, Frank T. Mann, and Mollie V. Gaither;

H. R. 6755. An act granting six months' pay to Maude Morrow Fechteler;

H. R. 7239. An act authorizing the Secretary of the Interior to pay certain funds to various Wisconsin Pottawatomi Indians;

H. R. 7249. An act for the relief of Forrest J. Kramer;

H. R. 7918. An act to diminish the number of appraisers at the port of Baltimore, and for other purposes;

H. R. 8086. An act to amend the act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915," approved August 1, 1914;

H. R. 8258. An act for the relief of Capt. Frank Geere;

H. R. 8329. An act for the relief of Albert S. Matlock;

H. R. 8727. An act for the relief of Roger Sherman Hoar;

H. R. 8893. An act for the relief of Juana F. Gamboa;

H. R. 8965. An act for the relief of the Omaha Indians of Nebraska; and

H. R. 11956. An act to amend the act entitled "An act making appropriations to supply urgent deficiencies in the appropriations for the fiscal year ending June 30, 1909," approved February 9, 1909.

On February 10, 1925:

H. R. 9461. An act for the relief of Lieut. Richard Evelyn Byrd, jr., United States Navy;

H. R. 10404. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1926, and for other purposes; and

H. R. 6070. An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the district of Hamakua, on the island and county of Hawaii, Territory of Hawaii.

On February 11, 1925:

H. R. 3669. An act to provide for the inspection of the battle fields of the siege of Petersburg, Va.;

H. R. 4294. An act for the relief of heirs of Casimira Mendoza;

H. R. 5420. An act to provide fees to be charged by clerks of the district courts of the United States;

H. R. 5558. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds in any sum not exceeding $60,000 for the purpose of improving the sewerage system of the town;

H. R. 8263. An act to authorize the General Accounting Office to pay to certain supply officers of the regular Navy and Naval Reserve Force the pay and allowances of their ranks for services performed prior to the approval of their bonds;

H. R. 8369. An act to extend the period in which relief may be granted accountable officers of the War and Navy Departments, and for other purposes;

H. R. 10528. An act to refund taxes paid on distilled spirits in certain cases;

H. R. 10724. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes; and

H. R. 11282. An act to authorize an increase in the limits of cost of certain naval vessels.

On February 12, 1925:

H. R. 466. An act to amend section 90 of the Judicial Code of the United States, approved March 3, 1911, so as to change the time of holding certain terms of the District Court of Mississippi;

H. R. 646. An act to make valid and enforceable written provisions or agreements for arbitration of disputes arising out of contracts, maritime transactions, or commerce among the States or Territories or with foreign nations;

H. R. 2694. An act authorizing certain Indian tribes, or any of them residing in the State of Washington, to submit to the Court of Claims certain claims growing out of treaties or otherwise;

H. R. 2958. An act for the relief of Isaac J. Reese;

H. R. 4971. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes;

H. R. 6860. An act to authorize each of the judges of the United States District Court for the District of Hawaii to hold sessions of the said court separately at the same time;

H. R. 7144. An act to relinquish to the city of Battle Creek, Mich., all right, title, and interest of the United States in two unsurveyed islands in the Kalamazoo River;

H. R. 11248. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1926, and for other purposes;

H. R. 10413. An act to revive and reenact the act entitled "An act granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Monongahela River at or near the borough of Wilson, in the county of Allegheny, in the Commonwealth of Pennsylvania," approved February 27, 1919;

H. R. 10887. A act granting the consent of Congress to the State of Alabama to construct a bridge across the Coosa River at Gadsden, Etowah County, Ala.; and

H. R. 11035. An act granting the consent of Congress to the county of Allegheny and the county of Westmoreland, two of the counties of the State of Pennsylvania, jointly to construct, maintain, and operate a bridge across the Allegheny River at a point approximately 19.1 miles above the mouth of the river in the counties of Allegheny and Westmoreland, in the State of Pennsylvania.

On February 13, 1925:

H. R. 8206. An act to amend the Judicial Code, and to further define the jurisdiction of the circuit courts of appeals and of the Supreme Court, and for other purposes;

H. R. 8550. An act to authorize the appointment of a commission to select such of the Patent Office models for retention as are deemed to be of value and historical interest, and to dispose of said models, and for other purposes; and

H. R. 11367. An act granting the consent of Congress to the county of Allegheny, in the Commonwealth of Pennsylvania, to construct, maintain, and operate a bridge across the Monongahela River at or near its junction with the Allegheny River in the city of Pittsburgh, in the county of Allegheny, in the Commonwealth of Pennsylvania.

CHINA TRADE ACT

The committee resumed its session.

The Clerk read as follows:

SEC. 4. That subdivision (c) of section 4 of said act is amended to read as follows:

"(c) A China trade act corporation shall not engage in the business of discounting bills, notes, or other evidences of debt, of receiving deposits, of buying and selling bills of exchange, or of issuing bills, notes, or other evidences of debt, for circulation as money; nor engage in any other form of banking business; nor engage in any form of insurance business; nor engage in, nor be formed to engage in, the business of owning or operating any vessel, unless the controlling interest in such corporation is owned by citizens of the United States, within the meaning of section 2 of the shipping act, 1916, as amended."

Mr. SUMNERS of Texas. Mr. Chairman and gentlemen of the committee, I want to state the changes that are incorporated here, that have to do with owning and operating ships. I would like to ask the gentleman in charge of the bill—I should have done it sooner, but it did not occur to me—why that amendment is proposed.

Mr. GRAHAM. The only part of the section that has just been read that is new is the last paragraph as to owning and operating vessels.

nor engage in, nor be formed to engage in, the business of owning or operating any vessel, unless the controlling interest in such corporation is owned by citizens of the United States, within the meaning of section 2 of the shipping act, 1916, as amended.

Mr. SUMNERS of Texas. Gentlemen of the committee, I think we may as well understand what this means. It means that American citizens living in the United States under this act can organize themselves into a corporation under this act and operate as many ships as they want to and pay no corporate taxes to the United States. I think that is what it means.

Mr. GRAHAM. No; it does not, it is to put them on the same footing with other vessels operated under the laws of the United States.

Mr. SUMNERS of Texas. No; it is blanketed in under the China trade act, which does in specific terms exempt from corporate tax every share of the stock in that corporation owned by Chinamen, American citizens resident in China, or American citizens residents of the United States. That is a pretty far-reaching provision.

Mr. DYER. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. DYER. The gentleman understands that the law permits the organization of corporations under the China trade law, and the amendment is only to provide that these corporations must comply with the laws of this country with reference to registration, and so forth.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. I ask for five minutes more.

The CHAIRMAN. The gentleman from Texas asks that his time may be extended for five minutes. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. For the purpose of getting this clarified——

Mr. WEFALD. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. WEFALD. What the gentleman has stated will practically amount to a ship subsidy?

Mr. SUMNERS of Texas. It will amount to what it does amount to in plain language. If the gentleman in charge of this bill can show me that this is restrictive language, I should be glad for him to do so. I have not heard any demand anywhere from anybody advocating the China trade act or amendments thereto for a restriction on the powers granted in the original bill.

Mr. GRAHAM. Let me read to the gentleman the only language in this section that is new:

Nor engaging in nor be formed to engage in, the business of owning or operating any vessel, unless the controlling interest in such corporation is owned by citizens of the United States, within the meaning of section 2 of the shipping act, 1916, as amended.

And now I ask the gentleman, is not that a restriction requiring them to comply with the laws of the United States governing that subject? The old law is printed in the back of the report so that anybody can see what it is.

Mr. SUMNERS of Texas. If the gentleman says that under the existing law they could own ships engaged in international commerce, I would like to have the gentleman indicate the language.

Mr. DYER. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. DYER. I will say that under the present law there has been at least one company organized to engage in shipping, and it is for the purpose of that company as well as any other with reference to register, which is very important, that this amendment is put in the bill.

Mr. SUMNERS of Texas. If we are beginning to do that sort of thing under the China trade act, it is time that we should consider whether we have not broadened the original act too much.

Mr. GRAHAM. The original act is found in the report of the committee, and after granting power to create corporations with no other limitation than to state the particular business in which the corporation is to engage, there is also permitted these additional powers:

SEC. 6. In addition to the powers granted elsewhere in this act, a China trade act corporation—

(a) Shall have the right of succession during the existence of the corporation;

(b) May have a corporate seal and alter it at pleasure;

(c) May sue and be sued;

(d) Shall have the right to transact the business authorized by its articles of incorporation and such further business as is properly connected therewith or necessary and incidental thereto;

(e) May make contracts and incur liabilities;

(f) May acquire and hold real or personal property, necessary to effect the purpose for which it is formed, and dispose of such property when no longer needed for such purposes;

(g) May borrow money and issue its notes, coupon or registered bonds, or other evidences of debt, and secure their payment by a mortgage of its property; and

(h) May establish such branch offices at such places in China as it deems advisable.

That is the broad, comprehensive law of 1922, which is now in force, and we are putting a limitation upon it.

Mr. SUMNERS of Texas. That is the trouble with this whole business. The first thing we know they will determine that it is incidental to their business to establish manufacturing concerns over here, or to go into the growing of crops. I started in supporting this general plan, and I want to help those who go to China and engage in business there, but I am getting less enthusiastic about the whole matter.

Mr. GREEN. Mr. Chairman, I move to strike out the last two words.

I think a good deal of the difficulty that arises in the discussion of this act is caused by the fact that gentlemen overlook the provisions in the China trade act in respect to the exemption from taxes. The amount which is exempt from taxation results only from a credit allowed to the corporations engaged in that business from profits which must under the present law and this bill be "derived from sources in China." That is the only provision that really results in an exemption to the corporation from taxation.

In the particular instance which the gentleman from Texas [Mr. SUMNERS] was inquiring about a moment ago, as the chairman of the Committee on the Judiciary has well stated, the amendment in this respect adds a limitation as to the powers of the company rather than an expansion. These companies can now engage in every kind of business except as limited by the original act, which prescribes certain limitations. This limitation made no restriction as to their purchasing and operating vessels and there is no particular reason, that I can see, why they should not purchase and operate vessels. It would not increase their exemption. Any profit that resulted from the operation of vessels could not be said, in my judgment, to be "derived from sources within China." I am unable to see any objection to this provision. It is true that they might enlarge their business in that way, but there is nothing to prevent any other corporation at the present time purchasing vessels and operating them in trade between this country and China. Of course, if that corporation does so operate vessels, any profit that it makes will be subject to taxation, and this will be true as to corporations under the China trade act.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. GREEN. With pleasure.

Mr. SUMNERS of Texas. If one of these corporations should have a line of boats that plies between Chinese ports and South America, where would the profit of that business be made, the home port being China, or, suppose they went away up one of the Chinese rivers.

Mr. GREEN. I can not answer the gentleman's question directly, but I am quite clear that the profits would not be "derived from sources within China." I call the gentleman's attention to the provisions of the bill that we have before us now, page 5, section 264:

SEC. 264. (a) That for the purpose only of the tax imposed by section 230 there shall be allowed, in the case of a corporation organized under the China trade act, 1922, a credit of an amount equal to the proportion of the net income derived from sources within China—

The case that the gentleman mentions would not fall within this provision which confers benefits on the China trade corporations. They would be taxed just the same as any other person or corporation who was operating such ships. I think that is all there is to this matter.

Mr. SUMNERS of Texas. Why should not a corporation that proposes to operate a line of ships incorporate under the general laws of America if they did not propose to come in under the benefits of this act?

Mr. GREEN. The only reason that I can see is this: It would necessitate two corporations. Here we have this original corporation under the China trade act, and if the corporation operates ships——

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GRAHAM. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes. Is there objection?

Mr. WINGO. Reserving the right to object, make it 10 minutes.

Mr. GRAHAM. I can not do that.

Mr. WINGO. Then I object.

Mr. WATKINS. Mr. Chairman, I ask unanimous consent that all debate upon this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent that all debate upon this section and all amendments thereto close in 10 minutes. Is there objection?

There was no objection.

Mr. GREEN. Mr. Chairman, as I was about to state in answer to the inquiry of my friend from Texas, if they were obliged to incorporate under the general laws, it would necessitate two incorporations—two separate companies—and that it seems to me would be detrimental to the operation of their business. I can see no reason why they should be so required to incorporate as long as they will have to pay taxes on all business that is not derived from sources within China. That states the whole matter as it appears to me, and I think ought to be a sufficient answer.

Mr. SUMNERS of Texas. If their main business is in China and they do this thing merely as an incident to carrying on their main business in China, is it then the view of the gentleman that they would have to pay taxes on the profits they made in their incidental enterprises?

Mr. GREEN. It depends upon what the gentleman calls incidental. I am very sure that they would have to pay taxes on the operation of this shipping line.

Mr. SUMNERS of Texas. The chairman of the committee has suggested that the right to operate ships arises under their incidental powers.

Mr. GREEN. Under their incidental powers?

Mr. SUMNERS of Texas. Yes; that is the statement, that that arises under their incidental powers. It is a power incidental to carrying forward the general business under the provisions of this act.

Mr. GRAHAM. I said that would be a fact, but that would not be a standard of measuring where profit and earnings were, or what the taxes would be.

Mr. GREEN. I think the chairman states it very correctly.

Mr. SUMNERS of Texas. If the gentleman will permit another inquiry. Is it the judgment of the gentleman now speaking that these China trade corporations would have to keep books which would cut a clean line of cleavage on profits they made within the territory of China as distinguished from profits made incidentally?

Mr. GREEN. I have no doubt about that. Otherwise these words in the act "Net income derived from sources within China" would not mean anything. They would have to satisfy the revenue department on that point, or the exemption would not be allowed, and the burden would be upon the corporation asking the exemption to show that it was entitled to it.

Mr. WINGO. Mr. Chairman, the committee realizes the proposition involved in the change here is specifically to authorize China trade corporations to engage in shipping——

Mr. GRAHAM. Pardon me a moment, has the gentleman read the act authorizing the incorporation?

Mr. WINGO. Yes; I agree with the gentleman——

Mr. GRAHAM. Is not this a limitation upon the powers in the original act and not a grant of power?

Mr. WINGO. If the gentleman will not take my time, so that the gentleman will follow me, I agree with the gentleman that the language he read is new language. I disagree with the proposition of law that engaging in world-wide shipping is an incidental power to a business corporation authorized by law to engage "in business within China."

Mr. GRAHAM. Will not the gentleman allow me to correct a misquotation. I did not say that a world-wide business in shipping was an incidental power. I used no such language, but I said the right to incorporate in the carrying trade of goods to China would be incidental to doing business in China.

Mr. WINGO. All right. Now, I can not agree with my friend from Iowa, who is a great lawyer, and his suggestion—probably I am in error—his suggestion that there is no limitation upon the corporation as to shipping business and there is no restriction upon it in the law, and therefore they can do it. The gentleman does not mean to lay down that proposition?

Mr. GREEN. Can the gentleman point out any restriction in the act except those included in subdivision (c) of section 4 of the act?

Mr. WINGO. I am going to suggest to the gentleman, good lawyer as he may be, that when the Congress grants a charter to a corporation and grants power it has no powers other than that directly granted it or that are necessary in the conduct of its business and by necessary implication. Why, that is the rule from time immemorial according to my understanding; maybe I am in error.

Mr. GREEN rose.

Mr. WINGO. I can not yield because I have been restricted in time. I have started two or three times——

Mr. GREEN. The gentleman is entirely correct in his last statement.

Mr. WINGO. Let us see. I will go back to the original act. Is not the granting of power to establish branches the only language that gives additional power in section read by the chairman? All the rest is implied in the law; that in relation to branches is the only thing that gives power, all the rest might have been wiped out. Is it incidental power to a corporation authorized to do business within China to engage in world-wide shipping? No; it is not. Gentlemen, you know it is not. It is far-fetched. The situation now is it is proposed by this bill specifically to authorize a shipping corporation to be organized under the China trade act. You specifically authorize them. They do not have to be really engaged right directly in business in the China towns, but according to this statement here, if they engage in the business over there affecting China—that is, in China—what happens when you compute the 12½ per cent? You allow that corporation credit for what? For the stock owned by the citizen of the United States resident in China? Oh, no. That is the present law. They go further and authorize you to say, "A proportionate deduction in arriving at the 12½ per cent on corporations owned by residents in China not citizens of the United States, or residents in the United States, or its possessions, and also by citizens of the United States wherever resident." You can exempt the merchants who go to China and try to open up trade there. That makes an appeal which is strong; but you can not justify, gentlemen, granting an indirect subsidy to a shipping concern by authorizing them to organize under the China trade act.

The CHAIRMAN. The time of the gentleman has expired. The Clerk will read.

The Clerk read as follows:

SEC. 5. That section 4 of said act is amended by adding thereto the following new subdivision:

"(d) A China trade act corporation shall not engage in any business until at least 25 per cent of its authorized capital stock has been paid in in cash, or, in accordance with the provisions of section 8, in real or personal property which has been placed in the custody of the directors, and such corporation has filed a statement to this effect, under oath, with the registrar within six months after the issuance of its certificate of incorporation, except that the registrar may grant additional time for the filing of such statement upon application made prior to the expiration of such six months. If any such corporation transacts business in violation of this subdivision or fails to file such statement within six months, or within such time as the registrar prescribes upon such application, the registrar shall institute proceedings under section 14 for the revocation of the certificate."

With a committee amendment, as follows:

On page 2, line 23, strike out the word "A" and insert "No certificate of a corporation shall be delivered to a," and in line 22, after the word "corporation," strike out "shall not engage in any business" and insert in lieu thereof "and no incorporation shall be complete."

The CHAIRMAN (Mr. DOWELL). The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 8. Subdivision (b) of section 9 of such act is amended to read as follows:

"(b) The number, qualifications, and manner of choosing and fixing the tenure of office and compensation of all directors; but the number of such directors shall be not less than three, and a majority of the directors, and the president and the treasurer, or each officer holding a corresponding office, shall, during their tenure of office, be citizens of the United States."

With a committee amendment, as follows:

Page 4, line 16, after the word "States" insert "resident in China."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 11. That subdivisions (a) and (b) of section 264 of the revenue act of 1921, added to said act by section 21 of the China trade act, 1922, are amended to read as follows:

"SEC. 264. (a) That for the purpose only of the tax imposed by section 230 there shall be allowed, in the case of a corporation organized under the China trade act, 1922, a credit of an amount equal to the proportion of the net income derived from sources within China (determined in a similar manner to that provided in sec. 217) which the par value of the shares of stock of the corporation owned on the last day of the taxable year by (1) persons resident in China, the United States, or possessions of the United States, and (2) individual citizens of the United States or China wherever resident, bears to the par value of the whole number of shares of stock of the corporation outstanding on such date: *Provided*, That in no case shall the amount by which the tax imposed by section 230 is diminished by reason of such credit exceed the amount of the special dividend certified under subdivision (b) of this section.

"(b) Such credit shall not be allowed unless the Secretary of Commerce has certified to the commissioner (1) the amount which, during the year ending on the date fixed by law for filing the return, the corporation has distributed as a special dividend to or for the benefit of such persons as on the last day of the taxable year were resident in China, the United States, or possessions of the United States, or were individual citizens of the United States or China, and owned shares of stock of the corporation; (2) that such special dividend was in addition to all other amounts, payable or to be payable to such persons or for their benefit, by reason of their interest in the corporation; and (3) that such distribution has been made to or for the benefit of such persons in proportion to the par value of the shares of stock of the corporation owned by each; except that if the corporation has more than one class of stock, the certificates shall contain a statement that the articles of incorporation provide a method for the apportionment of such special dividend among such persons, and that the amount certified has been distributed in accordance with the method so provided."

Mr. GRAHAM. Mr. Chairman, on page 5, line 13, I wish to correct a clerical error. Strike out the words from "264" to "1922," inclusive, in line 15, and insert in lieu thereof the following: "263 of the revenue act of 1924," for it would apply to that act now, not the act of 1921.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM: On page 5, line 13, strike out the figures "264" and all of line 14 and line 15 up to and including the figures "1922," and insert in lieu thereof "263 of the revenue act of 1924."

Mr. WINGO. Mr. Chairman, I would like to ask the gentleman from Pennsylvania just what does the change do?

Mr. GRAHAM. We quote the 1921 revenue act, and we are now making it the 1924 act.

Mr. WINGO. In other words, it makes a more correct citation?

Mr. GRAHAM. Yes; we do not want to quote the 1921 act, because the 1924 act supersedes it.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word.

Mr. GRAHAM. There is another amendment on that page, Mr. Chairman. Page 5, line 17, strike out "264" and insert in lieu thereof "263."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM: Page 5, line 17, strike out "264" and insert in lieu thereof "263."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. SUMNERS of Texas. Mr. Chairman, I would like to have the attention of gentlemen who are interested in the passage of this bill. In one sense I will be speaking out of order, but still in reference to a provision of the bill that we deem important. Gentlemen, while we have passed this section of the bill, I am sure we all want to fully consider what we are doing. I want to direct attention to the fact that we evidently misunderstood to a considerable degree subdivision (c) of section 4 during the discussion. I would like to have the attention of the chairman of the Committee on Ways and Means especially.

Mr. GRAHAM. To what provision does the gentleman refer?

Mr. SUMNERS of Texas. Page 2, line 14.

Mr. GRAHAM. We have passed that.

Mr. SUMNERS of Texas. I have explained that. I will be more brief if I can just get the attention of the gentleman. I want to direct attention to this language, which shows, in my judgment, that this is not an incidental business that is had in contemplation. Beginning on line 14 is this language: "Nor engage in, nor be formed to engage in, the business of owning or operating any vessel," and so forth. I wish gentlemen who are interested in the bill to take that into consideration and see what should be done about it.

Mr. GRAHAM. May I ask the gentleman this question? The language is "nor engage in, nor be formed to engage in, the business of owning or operating any vessel." That is a limitation. Unless what? Unless the majority ownership is in citizens of the United States within the meaning of section 2 of the shipping act, 1916. Now, suppose they have the power under the original act to organize these companies. Is not this language simply putting a limitation on that power, whatever it is, and saying "nor engage in that business unless the majority stock is owned by citizens of the United States and conforms to the Shipping Board act mentioned in the bill"?

Mr. SUMNERS of Texas. I am afraid I did not make myself understood. The point I am referring to is the distinction between operating under an incidental power to do business in China and the creation of a corporation to operate ships. This provision seems to deal with the creation of a corporation to operate ships and not with an incidental power.

Mr. GRAHAM. I beg the gentleman's pardon. This does not say to create a corporation; this simply says—

Nor engage in, nor be formed to engage in, the business of owning or operating any vessel, unless the controlling interest in such corporation is owned by citizens of the United States.

That is a prohibition. That means the corporation that carries on the whole business, and the bill provides that they shall not do this unless the controlling interest of such corporation is owned by citizens of the United States, and it would also include any corporation organized specifically to go into the shipping business.

Mr. WINGO. Will the gentleman from Texas yield for a question?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WINGO. Then, Mr. Chairman, I will take the floor in my own right in order to ask the gentleman from Texas a question. The chairman of the committee calls attention to the fact that there is a restriction here providing that the controlling interest shall be owned by citizens of the United States. Would not that be true if they had authority now to do it, that is, if a China trade corporation has the right now to engage in the business of shipping? The law now requires it to have the controlling interest owned by citizens of the United States, and the proposed bill provides that the controlling interest shall be owned by citizens of the United States, and if they have that incidental power under existing law then the words just read by the gentleman do not add anything by way of restriction, because that restriction is already in the law.

Mr. SUMNERS of Texas. May I say to the gentleman from Arkansas that I construe this language as being as much the law as the original China trade act. Now, what does this law do if it is adopted? It provides that no corporation shall be formed to engage in the business of owning or operating any vessel unless, and so forth.

Now, the converse of that proposition is just as clearly involved in this law, and if it is the declaration that they have the power to do this thing then they can form a corporation to engage in the business of operating ships.

Mr. WINGO. The gentleman has answered what I wanted him to answer and that is this, that those who propose this know that this is not an incidental power but is a restriction in the original law and a restriction in this act. It refers to establishing business in China and refers to business corporations doing business in China and if, under the language the gentleman has just read, they have the power to engage in

shipping, unless you put some restrictions there, it might be that foreigners could charter under this act and be called a China trade shipping corporation.

Mr. GRAHAM. It is very difficult to understand exactly the point the gentleman is referring to. The matter seems very clear to me because this provision only applies to a China trade act corporation.

Mr. WINGO. There is no doubt about that.

Mr. GRAHAM. And it simply says that a China trade act corporation which is entitled to be organized shall not engage in the business of shipping unless it conforms to the law now governing shipping and that requires that the controlling interest in such corporation shall be owned by citizens of the United States.

Mr. WINGO. Is not that the law now?

Mr. GRAHAM. No; it is not. Under the act of 1922 that is not so.

Mr. WINGO. Then they have not the incidental powers the gentleman contended for awhile ago.

Mr. GRAHAM. That power is not incidental at all; they have full power under the act of 1922 to organize any kind of a corporation, and any lawyer who reads that act will say so.

Mr. WINGO. Mr. Chairman, I will now use some of the time myself. Any lawyer will also know that we did not authorize them to organize corporations to carry on any kind of a business anywhere they please. We said they should engage in business "within China." We used the words "within China." Now, it might be that they could sail vessels "within China," but the gentleman laid down his proposition with reference to incidental powers, and read a section of the present law with reference to incidental powers. Now, if they have the incidental powers at the present time, then the restrictions contained in the existing law apply. If they do not have the incidental powers, then this bill authorizes shipping concerns and corporations to engage in the "business of shipping" and to do it under the special provisions of this act and get the special benefit of tax exemption. There is no escaping that conclusion.

Mr. GRAHAM. Of course, we are proceeding very much out of order, and I trust I may have permission to call attention to the law. I will read from the shipping law:

SEC. 2. That within the meaning of this act no corporation, partnership, or association shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and, in the case of a corporation, unless its president and managing directors are citizens of the United States and the corporation itself is organized under the laws of the United States or of a State, Territory, District, or possession thereof.

Mr. WINGO. That is what I stated the law was awhile ago.

Mr. GRAHAM. If the gentleman will pardon me a moment, it is simply a restriction upon the general powers conferred by Congress in 1922 requiring them to conform to the shipping law. That is all there is to it.

Mr. WINGO. We have the same restriction the gentleman has just read in the China trade act.

Mr. GRAHAM. The restriction in that law is not the same. It only requires a majority of the officers to be citizens.

Mr. WINGO. To which act is the gentleman now referring?

Mr. GRAHAM. The China trade act of 1922, from which I read:

The number, qualifications, and manner of choosing and fixing the tenure of office and compensation of all directors; but the number of such directors shall be not less than three, and a majority of the directors and a majority of the officers holding the office of president, treasurer, or secretary, or a corresponding officer, shall be citizens of the United States resident in China.

That is all there is in that act.

Mr. WINGO. There is no dispute about that. That is what I contended the law was.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 12. That paragraph (13) of subdivision (b) of section 213 of the revenue act of 1921, added to said subdivision by section 26 of the China trade act, 1922, is amended to read as follows:

"(13) In the case of a person, amounts distributed as dividends to or for his benefit by a corporation organized under the China trade act, 1922, if, at the time of such distribution, he is a resident of China and the equitable right to the income of the shares of stock of the corporation is in good faith vested in him."

Mr. GRAHAM. Mr. Chairman, I wish to offer a correcting amendment. On page 7, line 4, beginning with "1921," in line 4, strike out up to and through "1922" and insert in lieu thereof the figures "1924."

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM: On page 7, line 4, strike out after the word "of," where it appears the second time, the remainder of line 4 and all of line 5 down to and including the figures "1922" and insert in lieu thereof the figures "1924."

The amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: On page 7, lines 3 and 4, strike out the following language, to wit: "That paragraph 13 of subdivision (b) of section 213." With notice given that if this amendment is adopted he will move that section 13, in line 13, shall also be stricken from the bill.

Mr. BLANTON. Mr. Chairman, I do not like this paragraph No. 13, and I do not like this section 13, in line No. 13.

Mr. O'CONNELL of New York. Is the gentleman from Texas superstitious?

Mr. BLANTON. No; not personally, but on behalf of our friend from Missouri, in this particular instance, I am. We are guided in the House of Representatives in large measure by precedents, and we are naturally reminded of the fate of other legislation and other paragraphs similarly numbered.

This particular succeeding section in the bill, numbered 13, would keep a corporation organized under the laws of any State from doing business in China. The gentleman from Arkansas [Mr. WINGO] brought that out definitely yesterday when he asked the gentleman from Pennsylvania [Mr. GRAHAM] the direct question, if this section 13 would not stop a corporation organized under the laws of Pennsylvania from doing business in China, and the gentleman from Pennsylvania said that it would.

Mr. GRAHAM. That is all water that has passed over the dam.

Mr. BLANTON. I know; but I do not like section 13 anyhow.

I can remind the gentleman of the other bill he reported for our friend the gentleman from Missouri [Mr. DYER] in the Sixty-sixth Congress which was numbered 13, it being H. R. No. 13. The gentleman will remember that. That was special class legislation in behalf of just a few particular fellows in the United States.

Mr. GRAHAM. Will the gentleman allow me a single interruption on 13?

Mr. BLANTON. Certainly.

Mr. GRAHAM. I want to say to the gentleman that two events of world-wide importance occurred involving the figure 13. Thirteen Colonies won their independence against Great Britain and I was born on the 13th of the month. [Laughter and applause.]

Mr. BLANTON. That ought to stop hoodooism so far as the Colonies and the Judiciary chairman are concerned, but it is still following this Dyer legislation. The 13 Colonies have become 48 of the strongest States that ever existed in a union, tied together by every interest of friendship and personal and joint advantage. But there is a chance of "13" being a hoodoo sometimes, and we ought to keep it out of these Dyer bills. We remember that now famous so-called antilynching bill of his which was numbered 13. I knew the very moment that bill was brought up here that it would never become a law, and we would never hear anything more from it, because a bill designed to protect negroes should never be numbered "13." It is dead, and those dusky friends of the gentleman from Missouri who sat in the gallery that day knew it was dead as soon as they saw its number was 13. They simply fell back disconsolate. [Laughter.]

Now, the gentleman from Missouri [Mr. DYER] comes in here with another bill which is special class legislation preventing the 48 States, the successors of the 13 Colonies, under the laws of their legislatures from authorizing their own corporations to do business in China. They must come here to Washington and organize under this China trade act.

If I had my way about it, to help our friend from Missouri circumvent this hoodoo, I would change this paragraph No. 13 to paragraph 12½, and if I had my way about it I would strike out line No. 13 and I would make it line 12½, and if I had my way about it I would strike out this section No. 13 and I would make it section No. 12½.

Mr. WATKINS. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. WATKINS. That would probably have been very apropos on yesterday, that day being Friday the 13th, but this is Saturday.

Mr. BLANTON. Oh, but this is the morning after Friday the 13th, and this bill is still under the same "13" hoodoo.

Mr. GREEN. Mr. Chairman, I rise in opposition to the pro forma amendment. The gentleman has utterly mistaken the meaning of this provision. It applies only to corporations formed under the laws of the United States and has no application to corporations formed under State laws and does not restrict them in the least or concern them.

The pro forma amendment was withdrawn.

Mr. GRAHAM. Mr. Chairman, I ask unanimous consent, without taking up the time to read it, to move that section 29 in the bill be stricken out and the following be inserted in lieu thereof.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

Mr. WINGO. Mr. Chairman, we have not reached that; we have just read section 12. I move to strike out section 12.

The CHAIRMAN. The gentleman from Arkansas moves to strike out section 12.

Mr. WINGO. Mr. Chairman, in the other section we granted practical exemption from taxation to these concerns that are engaged in business in China, or engaged in the shipping business on the Pacific Ocean, to say the least, and we granted them practical exemption from the 12½ per cent corporation tax. If you take these requirements and work it out to a mathematical certainty, both of these qualifications as to citizenship and residence will cover every class of stockholder and credit for his stock, proportional credit, on the 12½ per cent corporation tax; it practically wipes it out. Now what do you do by this section? As far as the language is concerned, you change the word "citizen" to "resident"; that is not necessary in order to meet what they contend is the purpose of the law, and that is to meet British competition. Any man who has gone into the situation in China knows that the control the British have on the China trade is not a question of taxation, because most of the China corporations, the British corporations, are financed by men who live in England and pay their tax on their dividends.

I challenge any man to contradict me. I know that is true.

Mr. GRAHAM. The gentleman from Arkansas differs from the gentleman from Texas, who thought section 12 was proper.

Mr. WINGO. I am making a serious argument on a proposition of law, and the gentleman from Texas will not contradict that. The control that the British have of the Chinese trade is not one of exemption from taxation, because 83 per cent of the stock of the British corporations doing business in the east are owned either by individuals or banking corporations that are residents of the British Islands, and therefore they have to pay the tax on the dividends they receive. They do not have that exemption.

Now, where does the control come? It is not a case of tax exemption; it is a question of exchanges entirely. They also absolutely control and have a monopoly of American silver that is mined in the United States and shipped to China. They get the difference in the cost they pay the American mine owner and what the Chinese Government pays them to coin it into Chinese money, and they do it by the control of the exchange, by banking facilities, and under the bill you specifically provide that no China corporation shall engage in the exchange business, the real power that is the basis of England's domination of the trade in the east. This bill specifically confirms the monopoly of British interests, and you can not avoid that conclusion.

Mr. WATKINS. Mr. Chairman and gentlemen, I realize that the vote on this proposition is going to be very close, but I believe I can submit some observations that will justify every Member of this House from the agricultural districts having an interest in the farmer to vote for this proposition.

Mr. BLANTON. Will the gentleman yield?

Mr. WATKINS. For a brief question.

Mr. BLANTON. If I understand the gentleman from Oregon, a member of this triumvirate, his position in regard to the American farmer is that there ought to be encouragement to the merchant to bring into this country hundreds of thousands of cases of eggs to compete with our farmers.

Mr. WATKINS. They can do it now, whether you amend this law or not. This will not affect them.

Now, gentlemen, I want to reiterate what I said a moment ago. Suppose a man invests in a domestic corporation and earns $5,000; we tax him at the source 12½ per cent. If he invests in a China trade act corporation and makes $5,000, under the present law he would be taxed 12½ per cent and in addition thereto he must put said dividends in his income return and pay the normal tax, which is nothing more than repetitive taxation, and which is wrong. If you go to China or stay here and invest in a corporation in the hope that you may build up trade between the United States and China, why should you not have the same right as if you invested in an American corporation doing business here? You pay 12½ per cent in the domestic concern and the balance is exempt; if you are in a China trade corporation you pay 12½ per cent, and the balance ought to be exempt.

What is the next proposition? The other amendment means to exempt not only Chinese in China, as the present law does, but exempts citizens of any nationality, provided they are residents of China, from paying income tax on incomes from companies organized under this act.

I want to read to you two excerpts from the hearings. I wish everybody would read these hearings. I am going to read from page 28, quoting what Miss Smith, assistant trade commissioner of the Department of Commerce, had to say about this. This is very important, because we sell approximately one-third of our textile products in China. We sell thousands of bales of cotton from the South in China. It means that the American farmer will have a market for his wheat, for his oats, for his cotton, for everything that he raises upon the farm in this country. We need foreign markets, and this is going to give them to us, because it will encourage trade and commerce between the United States and China. Here is what Miss Smith has to say on this proposition:

> One point I would like to bring out is this: That the American manufacturers who are represented through American concerns in China are at a disadvantage in that, on account of their home taxation, they have to ask more for their products than if they were represented through a British outfit. Mr. Rhea demonstrated that by stating the case of the flour-mill machinery which the British concern could sell for $98.50 and which the American had to sell at $100. I have seen calculations made which show that the Americans at all times have to sell for 1½ per cent more on the price of their products than their British competitors can sell for.

There are more than 300 American concerns represented by British agencies in China instead of being represented by American agencies. A few weeks ago we increased or tried to increase the appropriation for the Bureau of Foreign Trade in the hope that we would build up the commerce of this Nation, and here this witness says that we are at a disadvantage simply because the American must not only pay his 12½ per cent, but must pay his normal tax upon the income that he gets from the China Trade Corporation. It makes a great difference.

Then, on page 29 of the hearings Miss Smith has this to say:

> I think you will be interested in knowing that there are 20 British firms in Shanghai who hold 304 American agencies. What is the cause of that? There are several causes. The British themselves seek the American agencies, those where the article involved is better in quality than manufactured by the British, such as typewriters, calculating machines, etc. The reason is that they know that, on account of their taxation advantages, they can undersell the Americans. There are a lot of American manufacturers who go into the field and are not ready to open up their own offices there. They look about for trade representation and when they get to thinking about real business, if they find that the British can sell their product at a lower price and get more business for them than the American, who has to ask more for the same product, they place the agency with the British. That is not fair to the American trade.

This amendment proposes to say to the American and to the Chinaman and to the Englishman and to everybody else who will put his capital in an American concern and charter it under this act that he will have an exemption from the income from that corporation provided he resides in China.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. Yes.

Mr. HUDSPETH. What is the proportion of American corporations doing business in China through the British?

Mr. WATKINS. I do not have those figures. I do not know what the proportion is.

Mr. HUDSPETH. Does the gentleman hear of any of them offering to withdraw because of this so-called discrimination?

Mr. WATKINS. Why, they are doing business through these British concerns because of this tax, and that is just what I have been saying. They are asking these British agencies to do their business and sell their goods, and the gentleman knows that a British concern would simply hold back on American goods and sell the British products when there

is a chance to. In other words, he will hurt the business of the American concern.

Mr. HUDSPETH. We have American corporations over there now, have we not?

Mr. WATKINS. Yes; and they are being undersold by the British simply because of this tax feature. I want the gentleman from Texas, inasmuch as he represents an agricultural district, to realize that if we will pass this act and give to those Americans who go over there and pioneer in this foreign trade the same privileges we give the Chinaman and the same the Englishman secures, then the people of Texas will have a bigger field to sell their products, which in the end will bring prosperity to the American farmer.

Mr. HUDSPETH. Then should we not extend the same right to American corporations in Brazil and Argentina and other countries?

Mr. WATKINS. We will cross that bridge when we get to it. If the conditions justify it, we will take it up when it comes before Congress; but simply because we are not doing it to American citizens in Brazil is no reason why we should deny it to American residents in China if the facts warrant it, and they do warrant it, because the American manufacturer is being undersold by the Englishman.

Mr. DEMPSEY. Mr. Chairman, if the gentleman will yield for a moment, I can state the figures which the gentleman from Texas inquired about a moment ago. The American firms number 136 and the British firms 534.

Mr. WATKINS. I thank the gentleman. I want now to read from page 12 of the report, wherein Mr. Hoover, Secretary of Commerce, said:

> While this amendment constitutes a departure from our rule of taxation by allowing exemption of income tax to persons resident in China to the extent of the dividends received from China trade act corporations, it is necessary that this relief be accorded to stockholders of the China trade act corporations resident in China if they are to be placed on a basis of equality with their British competitors.

As to the value of the markets of China, let me say that the Government reports show that during the fiscal year 1923–24 the total export and import trade of the United States with China equaled $282,300,700.

The Department of Commerce is authority for the following statement:

> China, including Hongkong and Kwantung, bought nearly 9,000,000 bushels of wheat and 5,000,000 barrels of flour, at a total valuation of $35,000,000, and proved the largest world market for American flour during the year. Japan's purchases of rice, wheat, and flour added $14,000,000 more to our sales of cereals. Shipments of automobiles and trucks to the whole Far East were valued at more than $42,000,000. Australia leading with an importation reaching $29,000,000. Sales of raw cotton to Japan and China are always heavy, but in 1923–24 they reached $95,000,000, while shipments of mineral oils to the whole Far East totaled more than $73,000,000; construction iron and steel, $30,000,000; and cotton goods, practically $10,000,000.
>
> The outstanding feature of America's share of Chinese imports, as gathered from the preliminary reports of 45 ports, is the kerosene trade, which in 1923 approximated 179,000,000 American gallons, 80 per cent of the entire purchase and a slight increase over the previous year from the same sources. Sumatra's share was 12 per cent and Borneo's 2 per cent. Some Persian, Japanese, and Burmese oil was received, and Russia entered the market with about a half million gallons. The poor wheat crop created a greater demand for wheat and flour; Shanghai, the principal distributing point for all China, imported 70,000 tons of flour, an advance of 30,000 tons over 1922. The returns of the 45 ports show an importation of 272,000 tons of flour, an increase of nearly 40 per cent for the year. China's entire importation of wheat from the United States for 1922, according to complete official returns, aggregated 1,777,000 bushels. Construction was active during 1923, as indicated by the purchase of 288,000 tons of iron and steel products, 5 per cent more than the year previous, but soft-wood lumber imports dropped by 480,000,000 square feet to 224,000,000 square feet. Douglas fir is the standard construction lumber, and the most important kind sold by the United States to China, but other species from the Straits Settlements are reported as cutting into this trade. The Philippines are also furnishing lumber to China for interior finishing. While shipments of electrical equipment into China show some falling off for the year, the general trend of the trade is upward. The drop in machinery naturally reflects the disturbed condition of the country, the trade showing a decrease from 9,644,000 Hk. taels in 1922 to 8,170,000 Hk. taels in 1923. Imports of cotton piece goods decreased generally throughout the country. America has already lost this trade, particularly in northern China, to the cheaper goods from Japan. China purchased aniline dyes to the value of practically 7,450,000 Hk. taels in 1923, 1,100,000 taels more than in 1922, thus showing increased activity in the local cotton mills. China also imported 10,094,000,000 cigarettes in 1923, an increase of practically 1,500,000,000 for the year.

Now, in conclusion, let me say that on the Pacific coast we have the largest lumber mills in the world. What is the situation? We are selling our lumber in China and thereby developing our foreign trade. That means bigger pay rolls in Portland, bigger pay rolls throughout America, and the thing to do is to place those men on an equality with the British. Suppose you do not? The China trade act is still on the books; but suppose you do not give the American manufacturer the equality that the British manufacturer has. All he has to do is to incorporate under the British law and do business, and we lose out entirely. Are you willing to drive the American manufacturer to British soil, force him to incorporate under the British flag? You are not preventing the enactment of the China trade act. It is already the law. We are trying to amend it so as to relieve the American shipper of the hardship this law now places upon him and give to him a helping hand in his most laudable undertaking. I hope the bill will receive your favorable consideration. [Applause.]

The CHAIRMAN. The time of the gentleman from Oregon has expired. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

The Clerk read as follows:

> SEC. 13. That the China trade act, 1922, is amended by adding at the end thereof the following new section:
>
> "SEC. 29. Hereafter no corporation shall be created under any law of the United States extended over citizens of the United States in China for the purpose of engaging in business within China."

Mr. GRAHAM. Mr. Chairman, I offer the following amendment by way of a substitute.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment by way of a substitute, which the Clerk will report.

The Clerk read as follows:

> Page 7, line 15, strike out all of lines 15, 16, 17, and 18, and insert in lieu thereof the following:
>
> "SEC. 29. Hereafter no corporation for the purpose of engaging in business within China shall be created under any law of the United States other than the China trade act."

Mr. DOWELL. Mr. Chairman, will the gentleman yield for a question?

Mr. GRAHAM. I will.

Mr. DOWELL. Is this intended to prevent a future Congress from acting upon this subject?

Mr. GRAHAM. No; we can not. In the act itself it reserves the right to amend, alter, or repeal the act.

Mr. DOWELL. I would assume so, but from the reading of this amendment I was wondering whether or not it was intended that should have a restraining effect upon a future Congress?

Mr. GRAHAM. No, we could not bind a future Congress in reference to repealing this law.

Mr. DOWELL. I understand that.

Mr. GRAHAM. But this language means that hereafter until some change is made, no corporation and so forth.

Mr. SNELL. Mr. Chairman, I move to strike out the last word.

Mr. GRAHAM. Mr. Chairman, I move that all debate upon this section and all amendments thereto close in five minutes.

Mr. WINGO. Will the gentleman make it 10 minutes. I offer an amendment to make it 10 minutes.

Mr. GRAHAM. To save time I will accept the offer.

The CHAIRMAN. The Clerk will report the offer.

The Clerk read as follows:

> Mr. GRAHAM moves that all debate upon this paragraph and all amendments thereto close in 10 minutes.

The question was taken, and the motion was agreed to.

Mr. SNELL. Mr. Chairman, I think there is a certain amount of misapprehension in regard to the intent and purposes of this whole bill. As I understand it, it is not for the purpose of relieving any one of taxation, but its only purpose and intent is that of increasing our foreign business. I admit to a certain extent it is class legislation. It is class legislation as far as it applies to people who are conducting business in the eastern part of the hemisphere. Now, as far as relieving anybody from taxation we are probably not relieving a single identical man because we are not getting any tax from these people at the present time. We have $300,000,000 of American money invested in China, and practically

98 per cent is under British laws, and we are not getting any tax from those people. In addition to that if it is a British corporation it means you must have a certain number of British directors and the local manager must be a British subject, and so we are not getting any benefit as a people when you have a British manager of American capital in China. Now, the intent and purpose of this bill is to put our nationals on the same basis as English capital so when we invest money over there we can have an American manager who would favor American goods and the extending of American business in that country. So you are not losing any taxes that you are getting at the present time by passing this measure. To gain some additional business in that section of the world in my judgment is the intent and purpose of this bill, and for that reason should be passed.

Mr. WINGO. Mr. Chairman, although I am very fond of the chairman of the Rules Committee and like to see him meet himself coming back, I suggest he turn to his speech he made on yesterday in reporting this rule, which is a pretty good answer to what he said. If you do not intend to relieve anybody, why pass the bill? Why the gentleman says there are $300,000,000 that we have invested in China and it is now under British corporations. I deny that. We have got 136 concerns over there which are American concerns right now——

Mr. SNELL. Will the gentleman yield for a question? I made the statement yesterday that probably 2 per cent was under American incorporation, and I make that statement to-day, and I think it is correct.

Mr. WINGO. Oh, the gentleman has brought in here at the last minute a powerful man upon that side of the House, a power by reason of his personality, service, and ability as well as by virtue of his position, and he is brought in here as a pinch hitter. The gentleman from Oregon [Mr. WATKINS] is brought in here as a pinch hitter. He comes in and says you are not going to exempt somebody. He wanted us to join in twisting the lion's tail——

Mr. SNELL. I would like to know if that statement is correct or not. If it is correct, say so; and if it is incorrect, say so?

Mr. WINGO. What statement?

Mr. SNELL. That less than 2 per cent of American money invested in China was under American incorporation?

Mr. WINGO. Certainly it is not correct, and if the gentleman will just read the statistics——

Mr. SNELL. I beg the gentleman's pardon——

Mr. WINGO. Of course, we can not agree, because the gentleman can not agree as to what is in the bill. He is as badly befuddled about this bill to-day as he was on yesterday. His speech to-morrow, right alongside the bill, will put him in just about as unpleasant a light as his speech yesterday did.

My friend from Oregon [Mr. WATKINS] says, "In behalf of the farmer exempt these poor downtrodden people who are engaged in China from taxation." In the next breath they say that they want to beat the Englishman and prevent him from grabbing up this business, when there is not a single Englishman engaged personally or by ownership of corporate stock in the Chinese trade that gets any exemption unless he lives in China.

Gentleman, I dare the gentleman from New York [Mr. SNELL] to deny it. He can not do it. It is the law. So what is this bugaboo about? Your present law meets that situation. I want to read to my friend from Oregon, who wants to save these poor, downtrodden overtaxed people in the name of the farmer, the words at the top of page 6, "individual citizens of the United States or China wherever resident," whether citizens of the United States or not. Gentlemen, you have not the time to go into it.

The committee confessed that they had to change the bill, and thereby they make a statement which shows that they either misunderstand the present law or the present bill.

Here is what you do. You absolutely destroy for all practical purposes the taxation of these corporations that are engaged in business in China. They intend to go into the shipping business. You maintain a Navy to go into the Pacific and protect our rights, as you ought to do, but you say that the business man at home, the farmers, and citizens of America generally must contribute taxes to maintain this Navy, while these people engaged in trade in China—in the name of helping the farmer at home—may go scot-free; they shall go scot-free, while the citizen in America, at home, is overburdened with taxation. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. GRAHAM. Now, Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from Pennsylvania that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 7190) to amend the China trade act, 1922, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. GRAHAM. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. WINGO. A division, Mr. Speaker.

Mr. DYER. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and there were—yeas 154, nays 130, answered "present" 3, not voting 144, as follows:

[Roll No. 69]

YEAS—154

Ackerman	Fredericks	McLaughlin, Nebr.	Snell
Anderson	Freeman	McLeod	Speaks
Bacon	Frothingham	MacGregor	Sproul, Ill.
Barbour	Fuller	MacLafferty	Sproul, Kans.
Barkley	Gallivan	Magee, N. Y.	Stalker
Beers	Graham	Major, Mo.	Stephens
Black, N. Y.	Green	Manlove	Strong, Kans.
Boies	Griest	Merritt	Strong, Pa.
Brand, Ohio	Guyer	Michener	Summers, Wash.
Burdick	Hadley	Miller, Ill.	Sweet
Burtness	Hall	Miller, Wash.	Swing
Burton	Hardy	Mills	Swoope
Cable	Hawes	Minahan	Taber
Campbell	Hawley	Moore, Ohio	Taylor, Tenn.
Chindblom	Hersey	Moores, Ind.	Temple
Christopherson	Hickey	Morris	Thatcher
Clague	Hoch	Murphy	Thompson
Clancy	Howard, Okla.	Nelson, Me.	Tillman
Clarke, N. Y.	Hudson	Newton, Minn.	Tilson
Cleary	Hull, Morton D.	Nolan	Timberlake
Cole, Iowa	James	O'Connell, N. Y.	Tincher
Colton	Johnson, Wash.	Parker	Tinkham
Cooper, Ohio	Kearns	Patterson	Tucker
Cramton	Kelly	Quayle	Vaile
Cullen	Ketcham	Ragon	Vestal
Dallinger	Knutson	Ramseyer	Vincent, Mich.
Darrow	Kopp	Rathbone	Wainwright
Dempsey	Kurtz	Reece	Watkins
Denison	LaGuardia	Reed, N. Y.	Watson
Dickinson, Iowa	Leach	Reid, Ill.	White, Kans.
Dowell	Leatherwood	Richards	White, Me.
Dyer	Leavitt	Robinson, Iowa	Williams, Mich.
Elliott	Lehlbach	Rosenbloom	Williams, Ill.
Fairchild	Lindsay	Sanders, N. Y.	Williamson
Fairfield	Lineberger	Scott	Winslow
Faust	Luce	Sears, Nebr.	Yates
Fenn	McFadden	Simmons	Zihlman
Fleetwood	McKeown	Sinnott	
Frear	McLaughlin, Mich.	Smith	

NAYS—130

Abernethy	Bulwinkle	Eagan	Huddleston
Allen	Busby	Evans, Mont.	Hudspeth
Allgood	Byrns, Tenn.	Fisher	Hull, Tenn.
Almon	Canfield	Gambrill	Humphreys
Arnold	Cannon	Gardner, Ind.	Jeffers
Aswell	Carew	Garner, Tex.	Johnson, Tex.
Ayres	Collier	Garrett, Tex.	Jones
Black, Tex.	Collins	Gasque	Jost
Blanton	Connally, Tex.	Geran	Keller
Bowling	Connery	Greenwood	Kerr
Box	Cook	Griffin	Kincheloe
Boyce	Crisp	Hammer	Kvale
Boylan	Davey	Harrison	Lanham
Brand, Ga.	Davis, Tenn.	Hastings	Lankford
Briggs	Dickinson, Mo.	Hill, Ala.	Larsen, Ga.
Browne, Wis.	Doughton	Hill, Wash.	Lazaro
Browning	Drane	Hooker	Logan
Buchanan	Driver	Howard, Nebr.	Lowrey

Lozier	Oldfield	Schafer	Thomas, Ky.
McClintic	Oliver, Ala.	Schneider	Underwood
McDuffie	Park, Ga.	Sears, Fla.	Upshaw
McReynolds	Parks, Ark.	Shallenberger	Vinson, Ga.
McSwain	Peavey	Sherwood	Vinson, Ky.
McSweeney	Peery	Sites	Weaver
Major, Ill.	Quin	Smithwick	Wefald
Martin	Raker	Spearing	Williams, Tex.
Mead	Rankin	Stedman	Wilson, La.
Milligan	Rayburn	Stengle	Wilson, Miss.
Mooney	Reed, Ark.	Stevenson	Wilson, Ind.
Moore, Ga.	Romjue	Sumners, Tex.	Wingo
Morehead	Rubey	Swank	Wright
Nelson, Wis.	Sanders, Tex.	Tague	
O'Connell, R. I.	Sandlin	Taylor, W. Va.	

ANSWERED "PRESENT"—3

Cooper, Wis.	French	Garrett, Tenn.

NOT VOTING—144

Aldrich	Drewry	Lea, Calif.	Roach
Andrew	Edmonds	Lee, Ga.	Robsion, Ky.
Anthony	Evans, Iowa	Lilly	Rogers, Mass.
Bacharach	Favrot	Linthicum	Rogers, N. H.
Bankhead	Fish	Longworth	Rouse
Beck	Fitzgerald	Lyon	Sabath
Beedy	Foster	McKenzie	Salmon
Begg	Free	McNulty	Sanders, Ind.
Bell	Fulbright	Madden	Schall
Berger	Fulmer	Magee, Pa.	Seger
Bixler	Funk	Mansfield	Shreve
Bland	Garber	Mapes	Sinclair
Bloom	Gibson	Michaelson	Snyder
Britten	Gifford	Montague	Steagall
Browne, N. J.	Gilbert	Moore, Ill.	Sullivan
Brumm	Glatfelter	Moore, Va.	Taylor, Colo.
Buckley	Goldsborough	Morgan	Thomas, Okla.
Butler	Haugen	Morin	Treadway
Byrnes, S. C.	Hayden	Morrow	Tydings
Carter	Hill, Md.	Newton, Mo.	Underhill
Casey	Holaday	O'Brien	Vare
Celler	Hull, Iowa	O'Connor, La.	Voigt
Clark, Fla.	Hull, William E.	O'Connor, N. Y.	Ward, N. Y.
Cole, Ohio	Jacobstein	O'Sullivan	Ward, N. C.
Connolly, Pa.	Johnson, Ky.	Oliver, N. Y.	Wason
Corning	Johnson, W. Va.	Paige	Watres
Croll	Johnson, S. Dak.	Perkins	Weller
Crosser	Kendall	Perlman	Welsh
Crowther	Kent	Phillips	Wertz
Cummings	Kiess	Porter	Winter
Curry	Kindred	Pou	Wolff
Davis, Minn.	King	Prall	Wood
Deal	Kunz	Purnell	Woodruff
Dickstein	Lampert	Rainey	Woodrum
Dominick	Langley	Ransley	Wurzbach
Doyle	Larson, Minn.	Reed, W. Va.	Wyant

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Underhill (for) with Mr. Bankhead (against).
Mr. Aldrich (for) with Mr. Treadway (against).
Mr. Bixler (for) with Mr. Lee of Georgia (against).
Mr. Robsion of Kentucky (for) with Mr. Mansfield (against).
Mr. Crowther (for) with Mr. Bell (against).
Mr. Newton of Missouri (for) with Mr. Dominick (against).
Mr. Kendall (for) with Mr. Byrnes of South Carolina (against).
Mr. Kiess (for) with Mr. Fulmer (against).
Mr. Shreve (for) with Mr. Rainey (against).
Mr. Vare (for) with Mr. Fulbright (against).
Mr. Longworth (for) with Mr. Garrett of Tennessee (against).

Until further notice:

Mr. Madden with Mr. Bland.
Mr. Curry with Mr. Kunz.
Mr. Free with Mr. Thomas of Oklahoma.
Mr. Wood with Mr. Carter.
Mr. Phillips with Mr. Steagall.
Mr. Wason with Mr. Moore of Virginia.
Mr. Mapes with Mr. Prall.
Mr. Davis of Minnesota with Mr. Croll.
Mr. Seger with Mr. Montague.
Mr. Bacharach with Mr. Weller.
Mr. Purnell with Mr. Hayden.
Mr. Ransley with Mr. Browne of New Jersey.
Mr. Lampert with Mr. Kindred.
Mr. Brumm with Mr. Tydings.
Mr. Morgan with Mr. Deal.
Mr. Fitzgerald with Mr. Celler.
Mr. Welsh with Mr. Johnson of Kentucky.
Mr. Wurzbach with Mr. Rouse.
Mr. Porter with Mr. Goldsborough.
Mr. King with Mr. Bloom.
Mr. Begg with Mr. Rogers of New Hampshire.
Mr. Anthony with Mr. Kent.
Mr. Hull of Iowa with Mr. Lea of California.
Mr. Cooper of Wisconsin with Mr. Ward of North Carolina.
Mr. Hill of Maryland with Mr. Woodrum.
Mr. Rogers of Massachusetts with Mr. Morrow.
Mr. Butler with Mr. O'Connor of Louisiana.
Mr. Magee of Pennsylvania with Mr. Doyle.
Mr. Watres with Mr. O'Sullivan.
Mr. Michaelson with Mr. Gilbert.
Mr. Wyant with Mr. Drewry.
Mr. Gibson with Mr. Favrot.
Mr. Paige with Mr. Pou.
Mr. Woodruff with Mr. Oliver of New York.
Mr. Gifford with Mr. Glatfelter.
Mr. Perkins with Mr. O'Connor of New York.
Mr. Funk with Mr. Cummings.
Mr. Morin with Mr. Lyon.
Mr. Garber with Mr. O'Brien.
Mr. Winter with Mr. Dickstein.
Mr. Britten with Mr. Lilly.
Mr. Johnson of South Dakota with Mr. Connery.
Mr. Haugen with Mr. Buckley.
Mr. Beedy with Mr. Jacobstein.
Mr. Connolly of Pennsylvania with Mr. Taylor of Colorado.
Mr. Evans of Iowa with Mr. Salmon.
Mr. Wertz with Mr. Casey.
Mr. Sinclair with Mr. Linthicum.
Mr. Ward of New York with Mr. Sullivan.
Mr. Perlman with Mr. Johnson of West Virginia.
Mr. William E. Hull with Mr. Sabath.
Mr. Sanders of New York with Mr. Crosser.
Mr. Roach with Mr. McNulty.
Mr. Snyder with Mr. Wolff.
Mr. Holaday with Mr. Clark of Florida.
Mr. Edmonds with Mr. Berger.

Mr. RAINEY. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. RAINEY. I was not.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

On motion of Mr. DYER, a motion to reconsider the vote whereby the bill was passed was laid on the table.

UNAPPROPRIATED PUBLIC LANDS

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 8522, a bill granting to certain claimants the preference right to purchase unappropriated public lands, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Oregon asks unanimous consent to take from the Speaker's table, disagree to the Senate amendments, and ask for a conference on a bill which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees:

Messrs. SINNOTT, SMITH, and RAKER.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—COMMEMORATION OF THE SIGNING OF THE DECLARATION OF INDEPENDENCE

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Industrial Arts and Expositions:

To the Congress of the United States:

Herewith I transmit to the Congress copy of a communication this day received from the mayor of the city of Philadelphia, Pa., relative to a celebration for which that city has made an appropriation of $2,000,000, to commemorate the signing of the Declaration of Independence. I recommend that favorable consideration be given to the various suggestions made in the communication.

CALVIN COOLIDGE.

THE WHITE HOUSE, *February 14, 1925.*

HOBOKEN SHORE LINE

Mr. SNELL. Mr. Speaker, I call up House Resolution 437, a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York calls up a House resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 437

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2287, to permit the Secretary of War to dispose of and the Port of New York Authority to acquire the Hoboken Shore Line. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled between those for and those against the bill, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage.

Mr. EAGAN. Mr. Speaker, I reserve a point of order on the bill. Pending that, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. EAGAN. I want to preserve every technical right I may have in opposing the rule and the bill, and in doing so I want to make a point of order against the bill. My parliamentary inquiry is this: May I make the point of order now against the bill and save time, or make the point of order against the bill after the adoption of the resolution?

Mr. SNELL. Is the gentleman's point of order against the rule or against the bill?

Mr. EAGAN. My point of order is against the bill.

The SPEAKER. The Chair would suggest that if there is a point of order which prevents the consideration of the bill it would save time to have it made now, because if the point of order should be sustained by the House it would make any time spent on the rule wasted. The gentleman will state his point of order.

Mr. EAGAN. In making this point of order, Mr. Speaker and gentlemen of the House, I want to be very definite in saying that I am not going to call into question the good faith of the proceedings in the other body, but the fact of the matter is that the bill as messaged to the House is not in the exact form in which—as will appear by reference to the proceedings of the other body in the CONGRESSIONAL RECORD—the bill was actually passed. There have been several important changes made. I have no doubt, of course, that these changes were regularly made, and yet I want to protect myself in every technical right I may have. The proceedings in the other body as they appear in the CONGRESSIONAL RECORD for May 13, 1924, the day the bill was passed, do not show that the interstate commerce amendment that appears in the bill was presented and passed in the other body. I realize, of course, that the CONGRESSIONAL RECORD is not official and that the other body will stand on the desk copy of the bill. I have no doubt everything was regular, but I wanted to call the attention of the House to this fact. My point of order is that the bill S. 2287 as messaged to the House is not in the exact form in which it passed the other body. I think it is a novel point, and the Chair will want to render a decision on it.

The SPEAKER. The gentleman from New Jersey was courteous enough to notify the Chair in advance of the point of order and the Chair has considered it. It seems to the Chair that the only basis on which the Chair or the House can determine the accuracy is the record which is sent to us by the Senate. It seems to the Chair we are bound by the formal interchange of documents between the two bodies. If it should prove that there is a discrepancy, as the gentleman states the record will disclose, between the CONGRESSIONAL RECORD and the bill, that occurring in the Senate it seems to the Chair it is for the Senate to determine, and the House can only look at the record as forwarded to it by the Senate, and therefore the Chair overrules the point of order.

Mr. SNELL. Mr. Speaker, this resolution, if adopted, provides for the consideration of the bill, S. 2287, which, in general terms, provides for the sale by the Secretary of War of what is known as the Hoboken Shore Line Railroad to the Port Authority of New York.

I desire to make a short statement to the House to show the exact conditions that exist at the present time. During the war in order to facilitate the movement of our military troops, not only at home but across the sea, the Federal Government took possession of the piers at Hoboken, N. J., and later they bought the stock of what is known as the Hoboken Manufacturers' Railroad Co. The Secretary of War still holds as the representative of the Government the stock in this organization and he desires to sell the same. There is some question whether he has authority to do it or not.

Under Public Resolution No. 66, which was passed by Congress, we recognized the development of the port of New York and by resolution of Congress, Public Resolution 17 of the Sixty-seventh Congress, the port treaty or compact for the development of the port of New York authorized by the State of New York and the State of New Jersey was recognized and approved by Congress.

The testimony that has come before the Military Affairs Committee of both the House and the Senate is almost unanimous that the Port Authority of New York should own this Hoboken Shore Line Railroad. The railroad is about a mile and a quarter, or a mile and a half long, and connects the terminals of the various railroads on the New Jersey side with the Government-owned piers in Hoboken.

The Secretary of War has an offer from the Delaware, Lackawanna & Western Railroad for this shortline railroad, but it is the unanimous judgment of the Legislatures of the State of New Jersey and the State of New York that this railroad should belong to the Port Authority of New York. Communications have come to the Committee on Rules from the Governor of the State of New York and the Governor of the State of New Jersey requesting specific legislation on this matter, giving the Secretary of War authority to sell this railroad to the Port Authority of New York and receive in payment for the same $1,000,000 of bonds issued by the Port Authority of New York.

I may say for the benefit of the House that the Secretary of War has been offered $1,000,000 by the Delaware, Lackawanna & Western Railroad in cash for this property, and the only question so far as he is concerned is whether or not he shall sell it to the port authority and receive in payment for the same $1,000,000 of 30-year bonds of the Port Authority of New York.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. LAGUARDIA. Is it the gentleman's understanding that the bill we will consider after the passage of the rule authorizes the Secretary of War to accept these bonds or directs the Secretary of War?

Mr. SNELL. I understand it gives him authority, at least, to accept them.

Mr. LAGUARDIA. I think it is very important whether it directs him or simply authorizes him.

Mr. SNELL. As I understand the provision, the Secretary of War, if he is authorized by Congress or is given the authority, is willing to accept them.

Mr. LAGUARDIA. Is that the gentleman's understanding?

Mr. SNELL. That is my understanding.

As far as I am informed, there is no special opposition to this bill except from the city of Hoboken, and the reason they are opposed to the bill in its present form is on account of the question of taxation; that is, whether they will be allowed to tax this railroad if it is acquired by the Port Authority of New York. As I understand that situation, there is nothing in the bill itself that decides whether the railroad shall be taxable or not. On the other hand, that is left for the decision of the two States involved—whether the property of the port authority should be taxed or not.

Mr. McDUFFIE. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. McDUFFIE. In the event this bill passes, does it leave it discretionary with the Secretary of War as to whom he shall sell this property? In other words, will he have the authority to sell either to the Lackawanna Railroad or to the Port Authority of New York, just as he sees fit? Do you make it discretionary with him?

Mr. SNELL. To a certain extent, it may be discretionary, but I understand if this bill is passed the Secretary of War will sell this railroad to the Port Authority of New York and receive in payment for the same the $1,000,000 of the 30-year bonds of the Port Authority of New York.

Mr. HOWARD of Nebraska. Will the gentleman permit an interruption?

Mr. SNELL. Yes.

Mr. HOWARD of Nebraska. Will the gentleman tell the House, please, upon what property these bonds would be based?

Mr. SNELL. The only security will be the railroad itself.

Mr. HOWARD of Nebraska. The company or corporation or whatever it is has no other property?

Mr. SNELL. They may have some other property, but probably that will also be mortgaged, and the only real security for the Government will be the mortgage on the railroad which it sells to the Port Authority of New York, but I do not think there is any question but what with the final development the bonds will be paid.

Mr. HOWARD of Nebraska. But it looks like we were giving away the property and taking a mortgage on it.

Mr. SNELL. In a way, you might consider that so. We are only getting a general mortgage on the property, but considering the fact that the port authority is authorized to make a complete development of the entire port around New York City, and probably will expend from $300,000,000 to $500,000,000 before it gets through the entire development, there is no question in my mind but what the bonds will be paid.

Mr. HOWARD of Nebraska. It does not look like following good business principles, and I wanted the gentleman to explain it to me.

Mr. SNELL. I have explained it as fully as I know how.

Mr. HOWARD of Nebraska. But you would not loan Government funds to the farmers on the same basis?

Mr. SNELL. This is a quasi municipal corporation, and while it does not pledge the credit of their States I do believe that the States are interested enough to see that the bonds are paid.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. MORTON D. HULL. Is this Port Authority of New York a municipal corporation with tax-levying power and the right to issue its own municipal bonds?

Mr. SNELL. I do not know that it has any tax-levying power.

Mr. MORTON D. HULL. Does it have the tax-levying power?

Mr. SNELL. I do not understand about the taxing power, but I will ask the gentleman from New York [Mr. MILLS] if he can answer the gentleman's question.

Mr. MILLS. No; the port authority is a public agency created by treaty between the States of New York and New Jersey. It consists of six members, three appointed by the Governor of New York, and three by the Governor of New Jersey. It has a right to purchase, own, control, and operate public utilities of this character. The general conception as to its methods of financing is for the port authority to issue its bonds as against the contemplated improvements and to pay interest on the bonds out of the revenue of the improvements.

Mr. SNELL. Then it has no taxing power?

Mr. MILLS. It has no power of taxation, although it has the power to issue tax-exempt bonds.

Mr. BURTNESS. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. BURTNESS. Has this port authority credit in the sense that it can float its own bonds in the money market of New York?

Mr. MILLS. Let me say that there has been no occasion up to the present time to float its securities.

Mr. BURTNESS. But the gentleman has said it has made some improvements?

Mr. MILLS. No; I said it was about to do so in connection with two public improvements authorized by the States of New York and New Jersey. It has been authorized to build two bridges between New Jersey and Staten Island. The State will authorize $2,000,000 for the purpose of beginning that improvement, and the State is to take a second mortgage of the port authority, and the port authority is to issue $12,000,000, with a first mortgage back of it.

Mr. LAGUARDIA. But it has not done so at present.

Mr. GARRETT of Texas. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. GARRETT of Texas. What financial backing has the Port of New York Authority, what physical security has it as a basis for issuing bonds?

Mr. MILLS. The bonds will be issued as against the railroad.

Mr. GARRETT of Texas. I am talking about this agency itself, there was nothing before our committee to show that it has any property.

Mr. MILLS. To-day it has not got any property; but I want to say that they have reached the point to-day where it is actually ready to begin to carry out the plans. In the course of the next five years it will be the owner of two very valuable bridges that the State has authorized it to construct.

Mr. SNELL. And have contributed some money toward the payment for that construction?

Mr. MILLS. Two million dollars.

Mr. GARRETT of Texas. The hearings show that the port authority proposes to buy this small railroad, which the Government owns and connects with the Government piers and their terminals and other facilities, for which they agree to pay $1,000,000, and they say that that road will earn enough money for them to pay 4 per cent on the bonds, based on the security of the railroad property, and at the end of 30 years they will retire the bonds. What kind of a proposition is that for the Government?

Mr. SNELL. The Government does not want to continue to own or operate the railroad under any circumstances. The Government is going to sell it to some one, and it is our opinion it is better to sell it to this public agency than to an individual railroad.

Mr. GARRETT of Texas. If the Government is not going to operate it, can it not lease it on a basis of 4 per cent on a million dollars per annum?

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. GARRETT of Tennessee. I am in favor of this rule for the consideration of the bill. It seemed to me that possibly some time could be saved. Is there opposition to the rule?

Mr. SNELL. I did not expect any opposition to the rule; I thought there might be some to the bill, but I want to get it before the House.

Mr. GARRETT of Tennessee. If it is to be resisted to the ultimate end I have no further suggestions to make in reference to procedure.

Mr. LAGUARDIA. Will the gentleman from New York yield?

Mr. SNELL. Yes.

Mr. LAGUARDIA. The gentleman from New York [Mr. MILLS] made the statement that two bridges have been authorized by the States of New York and New Jersey, and the gentleman who has the floor corroborated that by saying that $2,000,000 had been appropriated. Now, in all fairness, the gentleman should state that that is what is contemplated, that neither bridge has been authorized, and the money has not been appropriated to date, and this is February 14, 1925.

Mr. WILLIAMS of Michigan. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. WILLIAMS of Michigan. Is the gentleman in a position to tell us what becomes of the property mortgaged in the way that has been discussed after the payment of the various bond issues? Would it then belong to the two States, or to private ownership?

Mr. SNELL. To the corporation of the Port of New York Authority, which is authorized by the legislatures of two States, and recognized by resolution of Congress.

Mr. WILLIAMS of Michigan. Would this property ultimately, after the payment of all indebtedness against it contemplated by this bill and other mortgages, belong to this agency, in which the two States would have a joint interest, or would it be private property in the hands of a private corporation?

Mr. SNELL. Oh, no; to this agency, in which the two States have a joint interest, and not in any way a private corporation.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield to me?

Mr. SNELL. I yield such time as the gentleman desires.

Mr. GARRETT of Tennessee. I wish the gentleman would yield to the gentleman from New York [Mr. LAGUARDIA]. I am in this peculiar position: I am in favor of this rule. As to the bill, I have no decided convictions. I do not want to be put in the position of opposition to the rule.

Mr. SNELL. I shall yield later to the gentleman from New York; certainly.

Mr. SCHNEIDER. Do I understand that this will be a publicly owned utility, a publicly owned railroad?

Mr. SNELL. I take it so.

Mr. SCHNEIDER. Since when have the two gentlemen from New York, Mr. MILLS and Mr. SNELL, come to be in favor of the public ownership of railroads? [Laughter.]

Mr. SNELL. Oh, this is a very short one and serves a special purpose. I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, the question to-day confronting the Members from New York is whether you are going to be a good fellow or a good legislator. Personally I feel that it is my duty to oppose legislation which I consider unsound, no matter whose displeasure I may incur. Let us at least have no question as to the facts. I am not going to spring any fireworks at this time. The gentleman from New York, who is on the Military Affairs Committee, the statesman [Mr. BOYLAN] who has the courage of his convictions, notwithstanding the pressure that is being brought to bear on the New York Members on both sides of the aisle, is opposing this measure and has promised me some time, and I shall then answer the gentleman from New York [Mr. MILLS]. I am going to present certain figures at this time, and I would say now that if my figures are wrong, if the gentleman from New York can disprove the figures which I state, I shall vote for the bill. In the first place, the gentleman from New York has just stated that $2,000,000 have been appropriated——

Mr. MILLS. Will the gentleman yield? The gentleman should not misquote me.

Mr. LAGUARDIA. Did the gentleman not say that?

Mr. MILLS. The gentleman knows——

Mr. LAGUARDIA. Did not the gentleman from New York [Mr. SNELL] say that in connection with the gentleman's statement?

Mr. MILLS. The gentleman knows the facts just as well as I do. I ask the gentleman to please state the facts.

Mr. LAGUARDIA. Then I make the unequivocal statement that $2,000,000 have not been appropriated. The railroad is just part of this property. The property is held by the Hoboken Manufacturers' Railroad and all of the stock of the company is owned by the United States. Let me give you an inventory of what they intend to convey for these bonds. First of all,

the railroad property, which is 1.1 miles, inventoried at $998,000. Then the real property, inventoried at $495,000. Now, get this, and I will ask the gentleman from New York to deny it—there are $250,000 worth of Liberty bonds in the possession of this company; there is $182,000 of first mortgages on real estate which this corporation owned and sold and took back first mortgages for; and there is $63,000 in cash, amounting in all—Liberty bonds, first mortgages, and cash—to $407,000. These securities and cash they want to take likewise and pay in lieu of cash the bonds—no good, absolutely worthless bonds—of the Port of New York Authority.

Please get this: It provides here that they will exchange the bonds for all of the stock of the company. The bill provides that we are to dispose of all of the stock of this corporation to this Port of New York Authority and take their bonds in exchange. When we dispose of 100 per cent of stock, all of the property naturally goes with it. Will the gentleman deny that?

Mr. MILLS. Yes, I most certainly will deny that.

Mr. LAGUARDIA. The property does not go with the stock?

Mr. MILLS. The gentleman knows that there is no intention whatsoever of transferring Liberty bonds or the back lots to the Port of New York Authority to the extent of $400,000.

Mr. LAGUARDIA. Let us specifically so provide then.

Mr. WAINWRIGHT. Mr. Speaker, will the gentleman yield?

Mr. LAGUARDIA. Yes, in a moment. Gentlemen, the report of the Port of New York Authority has been sent to each one of you, a very elaborate preparation. You will find on page 26 of the port authority report, dated January 24, 1925, that they want to take the cash and at that time it was $109,000, and that they were going to give their bonds for it. You have the word of the Port of New York Authority right here, and let me say to the gentleman from New York, my colleague, who is a genius of finance, who is an expert on finance, who comes here and advises us on tax matters, that he would not advise anybody in whom he is interested to buy these bonds. He does not own any of the bonds himself, and would not buy them.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SNELL. I yield five minutes more.

Mr. WAINWRIGHT. Mr. Speaker, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. WAINWRIGHT. Is not the gentleman aware that the bill provides that the property not required or not used in connection with the operation of the railroad itself may be separated from the railroad and sold separately, either transferred to the United States or to another corporation to operate it in the interest of the United States? It is not contemplated to transfer any of those assets to the Port of New York Authority.

Mr. LAGUARDIA. The gentleman knows that we ought to be protected, and it ought to specify exactly what you are going to convey for the bonds of the Port of New York Authority. The question of public ownership has been brought up. Of course, I am for public ownership, for Government operation, but this is what they are going to do here. This great Port of New York Authority, comprising New York, Brooklyn, Hoboken, Newark, Jersey City, Weehawken—the greatest port in the world—is to be turned over to this so-called port authority and this railroad to be operated as a test for public ownership to whom? To Julius Henry Cohen, a shyster lawyer; Otto Shulhof, a manufacturer of women's underwear; and John F. Galoin, an insurance agent. Can you beat it? A pretty test for Government operation of public utility.

Mr. BLANTON. What kind of underwear was it?

Mr. SCHAFER. Will the gentleman yield for a question?

Mr. LAGUARDIA. Not now. I want to ask the gentleman when he takes the floor if the Secretary of War is back of this bill?

Mr. MILLS. Why, yes; I will say to the gentleman now without qualification that if this bill passes, the Secretary of War informs me that he will turn over this railroad to the States of New York and New Jersey to be operated through the port authority.

Mr. LAGUARDIA. Just one moment. I asked the gentleman if the Secretary of War is in favor of taking the bonds of this port authority for this property?

Mr. MILLS. I answer the gentleman the Secretary of War will take these bonds——

Mr. LAGUARDIA. And I say to the gentleman he is in error. The gentleman has easier access to the department under his administration than I have. [Applause.]

Mr. MILLS. Well, I will say to the gentleman that if he is going to undertake to quote the Secretary he is going to quote him, and I say that at a meeting held in the presence of the President of the United States, at which the members of the port authorities were present, the two Senators from New York and New Jersey, the Secretary of War made the unqualified statement to the port authority, in my presence, that if the bill passed he will sell this railroad to the port authority, and I challenge the gentleman to disprove that statement.

Mr. LAGUARDIA. And I will say to the gentleman, and I was not at that conference, that what the Secretary of War says is that if he is specifically directed to take these bonds he will do it, otherwise he will not.

Mr. MILLS. And I will say to the gentleman the Secretary said, if you pass this bill, and this bill is permissive and not mandatory.

Mr. LAGUARDIA. Oh, thanks for the declaration. Now, let us not prolong the agony any more. Here is the letter from the Secretary of War. Now, I have got you. Now, read this; listen to me. This is February 11, 1925:

MY DEAR CONGRESSMAN——

SEVERAL MEMBERS. What is the date?

Mr. LAGUARDIA. February 11, 1925. [Laughter.]

The SPEAKER. The time of the gentleman has expired.

Mr. LAGUARDIA (reading)—

Re: S. 2287: Disposal of Hoboken Shore Road.

Hon. FIORELLO H. LAGUARDIA,

House of Representatives.

MY DEAR CONGRESSMAN: Receipt is acknowledged of your letter, dated February 7, 1925, referring to the "Disposal of Hoboken Shore Road." You specifically refer to my statement to the Military Affairs Committee in a letter dated February 28, 1924—

I wrote to him on Sunday—

from which you quote, "A cash offer has been received from another source which is, in my opinion, much better from a pecuniary point of view," and inquire in effect as to whether or not I have altered my views in the matter.

The SPEAKER. The time of the gentleman has expired.

Mr. SNELL. I yield the gentleman two minutes.

Mr. LAGUARDIA (reading)—

I am unable to understand from a purely business standpoint how it is possible to arrive at any other conclusion than that expressed in my letter from which you quote, that $1,000,000 cash is a better offer than $1,000,000 in Port of New York Authority bonds. As this property was claimed to be of great value to the Port of New York Authority in carrying out the purpose for which it was organized, I desired, other things being equal, that the port authority should be given every reasonable opportunity to acquire it, but I advised them that I would not accept its bonds for this property unless I was specifically directed so to do by act of Congress, and that in order to cut off the heavy carrying charges on this property I intended to sell it to the highest bidder very shortly after this session of Congress adjourned—the delay in the sale being due to representations that the present Congress would pass a bill specifically directing me to accept these bonds in lieu of cash for the property.

The SPEAKER. The time of the gentleman has again expired.

Mr. SNELL. I yield the gentleman two additional minutes.

Mr. WAINWRIGHT. Will the gentleman yield for one question?

Mr. LAGUARDIA. I want to finish the letter. [Reading:]

This property belongs to the Hoboken Manufacturers Railroad Co., a corporation, the stock of which is the property of the United States. I am of the opinion that the corporation can dispose of the various pieces of property belonging to it, as the "water front" property, the "back lands," or the 99-year lease of the "Hoboken Shore Road," if done in accordance with the terms of the lease, but there may be some question as to whether or not I have the authority to sell the whole stock of the holding company without specific authority from Congress.

At all times I have personally preferred that Congress would see fit to give me specific instructions relative to these properties and have therefore until now withheld definite action.

Sincerely yours,

JOHN W. WEEKS, *Secretary of War.*

Could anything be plainer? The Secretary clearly says that he will take these bonds only if he is "specifically directed to do so" by Congress.

I now yield to the gentleman from New York.

Mr. WAINWRIGHT. I think it is but proper at this time to call the attention of the House to the official report the Secretary made to the Committee on Military Affairs.

Mr. LAGUARDIA. I referred to that in my letter to the Secretary and he quotes it in his.

Mr. WAINWRIGHT. Wait a moment—showing his exact official attitude in regard to this matter.

Mr. LAGUARDIA. I do not yield to the gentleman to read reports. I refuse to yield further. The report is before you gentlemen, and I referred to it in my letter to the Secretary.

Mr. WAINWRIGHT. I ask the gentleman if he will read.

The SPEAKER. The gentleman from New York declines to yield.

Mr. LAGUARDIA. Now, gentlemen, here is the issue. I now make this charge. I say it is a matter of law that the port authority can issue bonds. True, but it can not pledge the credit of the State of New York and the State of New Jersey or any municipality thereof. Deny that if you can. It has no lien on taxes; it has no taxing power. It was originally created in 1917. Its counsel is Julius Henry Cohen, who receives $18,000 salary, and assistant counsel John Milton receives a salary of $12,000, and Secretary Leary receives $10,000, or a combined salary of $40,000 for three men—plenty of overhead but no income.

Mr. BLANTON. How much does this ladies' underwear man get?

Mr. LAGUARDIA. The gentleman is an authority on that.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. LAGUARDIA. I do.

Mr. SCHAFER. The gentleman from New York made a statement to the effect that——

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SNELL. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. EAGAN].

The SPEAKER. The gentleman from New Jersey is recognized for 10 minutes.

Mr. EAGAN. Mr. Speaker and gentlemen of the House, I am opposed to this rule and to the bill. I do not believe there is any necessity whatever for bringing this bill in under a special rule.

I submit that if the Congress is to give special consideration to anyone, that the city of Hoboken, which has already lost a vast sum in taxes on the pier properties formerly belonging to the North German Lloyd and Hamburg-American Steamship Companies, should come before the Port of New York Authority or any other interest.

While the city of Hoboken is not anxious to acquire the railroad which it is sought by this bill to turn over to the Port of New York Authority, it would prefer to acquire the road rather than to see it go to the Port of New York Authority now and perhaps lose the taxes on an additional million dollars' worth of property. Hoboken is now receiving $46,743.60 a year on this property.

It will be claimed by the proponents of the bill that the bill amply protects Hoboken in the matter of taxes on the railroad property to be acquired thereunder by the port authority. I take issue with them not only as to the railroad property which the bill seeks to turn over to the port authority, but as to other property of the railroad company. The corporation attorney of the city of Hoboken, Mr. John J. Fallon, one of the most eminent lawyers in our State, and the officials of Hoboken insist that Hoboken is not properly protected as to taxes.

In this connection I want to read to you a resolution adopted by the commissioners of the city of Hoboken at their meeting on February 10, 1925:

BOARD OF COMMISSIONERS OF THE CITY OF HOBOKEN,
CITY CLERK'S OFFICE,
Hoboken, N. J., February 10, 1925.

Congressman JOHN J. EAGAN,
House of Representatives, Washington, D. C.

SIR: This is to certify that the following is a true copy of resolution adopted by the Board of Commissioners of the city of Hoboken at the meeting held February 10, 1925.

Very respectfully,

[SEAL.] D. A. HAGGERTY, *City Clerk.*

Resolved, That Congressman JOHN J. EAGAN be urged to impress upon Members of the House of Representatives the inadvisability of their granting leave under special rule to bring before them at this present session of Congress Senate bill 2287, having for its purpose authorization to the Secretary of War to sell to port authority capital stock of Hoboken Shore Road now owned by United States, which transfer of ownership is likely to deprive city of Hoboken of tax ratables now available, and urging that action on said bill and the Mills bill, 7014, be deferred at present session of Congress, inasmuch as Legislatures of New York and New Jersey have commissions investigating tax questions relating to property acquired by port authority, which commissions are to report to present sessions of New York and New Jersey Legislatures.

Under date of February 3, I have this telegram from the corporation attorney of Hoboken which I wish to insert in the RECORD. Mr. Speaker, I ask unanimous consent that I may insert it.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks by the insertion of the telegram referred to. Is there objection?

There was no objection.

The telegram is as follows:

HOBOKEN, *February 3, 1925.*

Congressman JOHN J. EAGAN,
House of Representatives, Washington, D. C.:

Your second telegram of 2d instant received to-day. Propagandizing such as resorted to by port authority through medium of citizens union and others is manifestly reprehensible in view of fact that drive clearly disregards interest of Hoboken, tax rate of which, according to report published by National Municipal Review based on statistics collated by Detroit Bureau of Governmental Research, shows Hoboken's 1924 tax rate highest of all cities throughout United States. This condition is primarily caused by Government acquisition of former North German Lloyd and Hamburg-American Steamship piers and withdrawal thereof from taxation.

Hoboken's tax rate is now nearly 5 per cent, whereas before war it averaged annually between 2 and 3 per cent.

Excerpts from Governor Silzer's message to legislature now in session which resulted in appointment of commission are as follows:

"The most important question at present is that of taxation. Whether the property of port authority shall be taxable at all, or, if taxable, by whom, and to what extent, is not fixed in the treaty creating the commission. If the courts shall hold that port authority is a governmental agency, an arm of the Government, then, of course, it and the property acquired by it, under our laws, would not be taxable.

"On the other hand, this question of taxation is important to the municipalities in both States. A concrete example has arisen in Hoboken over the proposition to take over the Hoboken Shore Line Railroad, and the suggestion of ownership by the port authority of the now Government-owned untaxed docks and piers, which were formerly private property, sharing in the local tax rate. The local municipalities can not be stripped of an undue proportion of ratables.

"So the tax question must be seriously studied by all concerned, and an immediate policy must be determined upon which will be fair to the municipalities. Committee to consider the problem and determine upon a plan, then confer with like representatives from New York, and finally, if necessary, present the result to the States and to Congress for its confirmation. Action now is necessary if we would progress."

As stated in my dispatch of yesterday, there is no urgency for passage of Mills or Wadsworth bills at present session of Congress. Pending action of New York and New Jersey Legislatures on municipal tax question, matter can be satisfactorily adjusted if due deliberation, consideration, and tolerance be exercised.

JOHN J. FALLON, *Corporation Attorney.*

I have here a copy of the senate joint resolution No. 5, State of New Jersey, introduced January 27, 1925, which I read:

Senate joint resolution No. 5

STATE OF NEW JERSEY

Joint resolution, introduced January 27, 1925, by Mr. Case, constituting a commission to investigate the relationship between the port authority and the respective municipalities wherein is situated property of the port authority and particularly the subject of taxing such property; to confer thereon with a similar commission when and if appointed by the State of New York and to report its findings to the legislature

Be it resolved by the Senate and General Assembly of the State of New Jersey—

1. A commission of seven persons of whom two shall be named by the governor, two shall be members of the senate, named by the president of the senate, two shall be members of the assembly, named by the speaker of the house of assembly, and Julian Gregory, now chairman of the port authority, is hereby constituted, and the said commission is authorized and directed to investigate the relationship between the port authority and the respective municipalities wherein is situated property of the port authority and particularly the subject of taxing such property and whether such property shall be taxed, and if so to what extent; with authority to confer with a similar commission of the State of New York when and if such shall be appointed.

2. Said commission shall report its recommendations and findings to the present session of the legislature.

3. This resolution shall take effect immediately.

The corporation attorney of the city of Hoboken is naturally anxious to protect the city in the matter of taxes beyond all possible question. He contends that since there are Federal decisions which hold that any instrumentality of the Federal Government which is operating in behalf of the Federal Government can not be taxed, there is the possibility that the Port of New York Authority is such instrumentality of the Federal Government or may subsequently be held to be such instrumentality, and that in that event Hoboken would lose the taxes on the Shore Line Railroad and the other property which this bill seeks to convey to the port authority, and that such loss in taxes, together with the vast amount which the city has already lost and is still losing each year on the pier properties and will continue to lose while the fee to such properties remain in the United States, will be absolutely ruinous to the city of Hoboken.

Repeatedly during the hearings before the House Committee on Military Affairs on S. 2287 and H. R. 7014 I tried to get an expression of opinion from the counsel for the port authority, Mr. Julius Henry Cohen, but Mr. Cohen would not express the opinion that the port authority was not a Federal instrumentality.

Mr. Speaker, in the brief time at my disposal I want to give you a short history of Hoboken's tax problem.

You will recall that on the night war was declared the German steamship properties at Hoboken were seized by the Federal authorities.

Under the act of Congress approved March 28, 1918, the United States on June 28, 1918, under proclamation of the President, as authorized by the act of March 28, 1918, took title to these properties.

The act of March 28, 1918, was one of the great urgent deficiency acts passed by the Congress during the prosecution of the late war. It carried appropriations in excess of $730,000,000, most of it being for appropriations necessary in the conduct of the war.

An amendment to the bill provided for the acquisition by the United States of the pier properties and for vesting title thereto in the United States. It was put on in the Senate without any opportunity having been afforded to the officials or citizens of Hoboken to be heard. There was practically no debate on the amendment.

I was one of the conferees on the part of the House on this bill and signed the conference report only on the solemn assurances of the conferees that full justice would be done to the city of Hoboken as soon as practicable after the conclusion of the war in the matter of the taxes on these properties. I accepted the assurances of my fellow conferees in good faith—I am sure they were made in good faith—and that the Congress is bound by those assurances.

For six years we have been knocking in vain at the doors of Congress for relief. We have lost more than $3,000,000 in taxes on the pier properties, and our loss is growing at the rate of about $500,000 a year.

Hoboken is less than a mile square, with a population of about 70,000. It is in a desperate financial condition. Its tax rate is now one of the highest, if not indeed the highest, of any city in the United States.

I am convinced from the efforts which have been made by myself and others in Congress during the past six years that Hoboken will get relief in the matter of the taxes on the pier properties only when these properties are turned over to private ownership or substantial relief when the pier properties are sold by the Federal Government to the city of Hoboken.

The Hoboken Shore Line Railroad property adjoins these pier properties and both properties should be under one ownership. As a matter of fact, the Port of New York Authority hopes at some time or other to acquire the pier properties if it acquires the Hoboken Shore Line Railroad.

In view of all of these facts, you will readily understand, gentlemen of the House, why the corporation attorney and the officials of the city of Hoboken are opposed to this hasty action in the disposal of the Hoboken Shore Line Railroad.

Hoboken is my native city. I have lived there or within a mile of it all my life. I am a taxpayer there. I know how grievously she has suffered. I appeal to you to grant her prayer for delay by voting down this rule.

Mr. SNELL. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. Mr. Speaker, I simply desire to call the attention of the House to the attitude of the Secretary of War on this project, as appears in his letter to the Military Affairs Committee. I read the following from that letter:

If it is the will of Congress that in the public interest the sale should be made to the Port of New York Authority and that its bonds be accepted in payment, I desire express authorization as given in the bill.

In other words, it is manifest that the Secretary would interpret the passage of this bill as expressing the will of Congress and as directing him to make this sale.

Mr. LAGUARDIA. Will the gentleman give the date of that letter?

Mr. WAINWRIGHT. That is from the letter referred to by the gentleman from New York [Mr. SNELL] and is dated February 28, 1924.

Mr. BURTNESS. Is or is not the Secretary of War, as the gentleman construes it, in favor of the legislation? Does he not at least doubt the advisability of the wisdom of the proposed legislation?

Mr. WAINWRIGHT. I will say to my distinguished colleague from North Dakota that I am not further informed, than as expressed in his letter to the Military Affairs Committee, as to what the personal views of the Secretary may be.

Mr. SNELL. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. MILLS].

Mr. MILLS. Mr. Speaker and gentlemen of the House, I hope if the rule is adopted to go into the proposition in more detail than I can at the present time. I want now simply to answer what has been advanced by my colleague from New York [Mr. LAGUARDIA] in opposition to this measure. He seems to suggest as a great discovery that an offer of $1,000,000 in cash is a better offer than $1,000,000 in bonds. Well, of course it is, and if it were not a much better offer we would not be here to ask for this legislation. One million dollars in cash is so much a better offer that the Secretary of War would not feel authorized in turning down $1,000,000 in cash and selling the property for bonds. But, gentlemen, it is not simply a question in this case of dollars and cents. It is a question as to whether the public interest can better be served by turning over this railroad to the public authorities or selling it to a private corporation, and in order for you to judge that question it is necessary to consider a little the situation which exists in New York City. But let us get this one fact clearly in our minds: If you vote for this bill and it goes through, the Secretary of War will consider it as authority to sell this road to the public agencies of the States of New York and New Jersey; but if you vote it down, he will then find himself in a position where he will have to sell it to the Lackawanna Railroad, a private corporation.

Now, what is the port authority? The port authority is a commission created by treaty between the States of New York and New Jersey to develop the port of New York by cooperative action between the two States. It is, therefore, a public municipal agency appointed by the two States in accordance with a treaty ratified by Congress.

The legislation creating the port authority directed it to prepare a comprehensive plan for the development of the port of New York, and in accordance with that authority it prepared a comprehensive plan for the development of the port of New York which it submitted to the legislatures of the two States, which ratified the comprehensive plan, and that agreement by the two States was, in turn, in 1922, ratified by this Congress. That comprehensive plan provided, among other things, that the terminal operations within the port district, so far as economically practicable, shall be unified.

To-day we have 12 trunk lines serving the metropolitan area and port of New York that are only partially connected by belt lines and that are operating, for the most part, as individual terminal units. The water-front property with two exceptions, these German piers and what is known as the contemplated Cunard piers, are the only two pieces of property along the shore of the Hudson on the Jersey side that are not to-day controlled by individual railroads, and if the Lackawanna Railroad buys this last remaining piece of property the 12 trunk lines will own all of the water-front property and the public authority will be excluded for all time.

Mr. EAGAN. Will the gentleman yield?

Mr. MILLS. I can not yield until I have completed this statement. That is why I venture to say that this bill involves vast public interests which transcend in importance the difference in value between 4 per cent bonds and $1,000,000 in cash.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. MILLS. I can not at this time.

Mr. LAGUARDIA. But I yielded to the gentleman.

Mr. MILLS. Now, running along this shore front of Hoboken is what is known as Belt Line No. 13, a belt line extending for some 16 miles from Bayonne to Edgewater, owned by the Erie Railroad, the New York Central through the West Shore, and by the Lehigh Valley. That is the belt line with which

this little Hoboken shore line connects. Until the port of authority came into being each one of those railroads was operating its share of Belt Line No. 13 as an independent terminal unit. And let me tell you, gentlemen, what was happening in those days. In some cases cars traveled 187 miles instead of a practicable distance from origin to destination of 42 miles and consumed five days on the journey. Other shipments traveled 115 miles instead of a practicable distance between origin and destination of 8 miles; others traveled 107 miles instead of 19 miles; and others traveled 165 miles instead of a practicable distance of 16 miles. Why? Because when a railroad had a car to deliver at the terminal of another railroad, instead of delivering it on the belt line, with a short haul and merely a switching charge, it delivered it at the point where it could get the greatest mileage. As a result, instead of merely switching charges there were charges running anywhere from $35 to $240 for freight cars, just to get them transferred from 8 to 20 miles along the belt line.

Now, when the port commission came into being it made these facts public; it presented them to the Interstate Commerce Commission, and brought such pressure to bear on these railroads that they agreed not only to spend a half million dollars on Belt Line No. 13 but to put it under unified control, operate it under a single director, and make it available to all of the railroads, thus saving these excessive charges to the shippers and merely having switching charges.

Now, the only railroad, as I understand it, that would not cooperate with the port authority is the Delaware, Lackawanna & Western. A vote to sell this important little link in Belt Line No. 13 is a vote in favor of a return to the conditions which I have described; a vote in favor of giving a private monopoly authority to impose upon the general public in such a way as I have described; and a vote to deny the request, which has been formally made by the governors of the two States in the public interest, to turn over this little terminal road to their public authority, rather than to barter it away to a private corporation for a little more gain.

When I get a chance, as I hope I will after the rule has been adopted, I propose to put into the RECORD the letters and telegrams of the governors of the two States. I propose to put into the RECORD the testimony of so distinguished an expert as General Goethals as to the value back of these bonds. I propose to discuss the question as to whether the United States Government will be amply secured, and it will be amply secured, and I propose to discuss the question which my friend, the gentleman from New Jersey, has raised, that of taxation.

In connection with that last point, I only want to say this now, and I think the gentleman from New Jersey [Mr. EAGAN] will admit it. In so far as that particular transaction is concerned the question of taxation does not really arise.

Mr. EAGAN. Will the gentleman yield?

Mr. MILLS. Yes.

Mr. EAGAN. I said very distinctly that there is other property of the corporation that is not covered by this proposed transaction so far as the port authority is concerned.

Mr. MILLS. Let us understand that. The railroad and the property owned by this railroad are to-day paying taxes to the city of Hoboken.

Mr. EAGAN. I so stated.

Mr. MILLS. And the railroad and the property owned by the railroad, if transferred to the port authority, will continue to pay taxes to the city of Hoboken.

Mr. EAGAN. I hope so.

Mr. MILLS. We not only have the assurance of the members of the port authority to that effect, but the question is specifically covered in this bill, and if you gentlemen will turn to page 4 you will see that we say:

And provided further, That nothing in this act shall be construed as relieving or exempting the property acquired hereunder by the Port of New York Authority from any municipal taxes.

We put that in at the request of the city of Hoboken so as to amply protect them in so far as this particular transaction is concerned. The only thing we did not grant them was the request which they made that we should use this bill as a vehicle in which to put a general provision going back to the action of Congress in 1921 and 1922 in ratifying the two treaties and declaring what their intention was in ratifying those two treaties in respect of the subject of taxation.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. MILLS. We protected Hoboken in so far as this particular transaction is concerned, not only by the definite pledge of the port authority commissioners but by writing this provision into the law, and the only request that we denied them was to interpret the intention of Congress in respect of action taken in 1921 and 1922.

Mr. LAGUARDIA. Will the gentleman yield on the question of taxation?

Mr. MILLS. I decline to yield.

We did it so thoroughly that Judge Haight, one of their most distinguished lawyers, representing the biggest taxpayer in the city of Hoboken, the Stevens Estate, paying one-tenth of their taxes, appeared before the Committee on Military Affairs and said that in so far as he was concerned, the language contained on page 4 amply protected the city of Hoboken in so far as the question of taxes is concerned.

Some gentleman facetiously remarked that it was strange to find my colleague from New York [Mr. SNELL] and myself on the side of public ownership. Generally speaking, of course, I do not believe for one single minute that a railroad can be as advantageously operated from the standpoint of the public by a public corporation rather than by a private corporation.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. MILLS. I decline to yield.

But when I find this situation existing where the water-front property in one of the greatest ports in this country is gradually being absorbed by the great railroads of the country until only one or two little parcels are left, and that one of those parcels is connected with a belt line that connects up all of the great trunk railroads with that one last remaining parcel, and when I happen to find that little connecting railroad and that particular parcel of land in the hands of the Government, and I am asked whether I shall complete the monopoly by transferring that last particular parcel to private interests or respect the request of two great States that it be turned over to a public body in the public interest, then, gentlemen, so far as I am concerned. I see no question of public or private operation, but only the general public good, and that is on the side of the States and against the eloquent gentlemen who plead here this afternoon to turn over this piece of property to the Lackawanna Railroad.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. MILLS. Yes.

Mr. LAGUARDIA. On page 10 of the report of the port-authority is this language:

Yet to enact general legislation subjecting the port authority to local taxes might have serious consequences upon the future success of the port authority.

Mr. MILLS. The gentleman knows that question is one which the legislatures of the two States are considering.

Mr. LAGUARDIA. Will the gentleman yield again?

Mr. MILLS. No; I am going to answer your last question. They have two committees to consider the whole question whether property held by port authority shall be taxable by the municipality or not. I venture to say there is not a single Member of Congress who will say that that is not properly a question for the commonwealth of the States of New York and New Jersey as to how their municipalities shall tax property within their limits. That is what we are asking you to do; we are asking you to express the opinion of this Congress that this property shall not be exempt from taxation as far as any action of Congress is concerned, but leave the whole question of taxation where it properly belongs, to the States of New York and New Jersey.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. MILLS. Yes.

Mr. LAGUARDIA. Can the gentleman inform us how much water front the New York Central owns in the port of New York?

Mr. MILLS. I can not tell the gentleman, all told.

Mr. LAGUARDIA. It owns a great deal, and we have not heard from any champion of the New York Central——

Mr. MILLS. If the gentleman alludes to me as the champion of the New York Central, I have not championed the New York Central in connection with this or any other measure.

Mr. BLANTON. Will the gentleman yield?

Mr. MILLS. Yes.

Mr. BLANTON. The gentleman says that the Government would have first-class security; that is what bothers me. The gentleman, who is one of the best financiers in the United States—would he take over these bonds?

Mr. MILLS. Yes; I want to say that I think the port authority bonds, with their tax-exempt feature, will be a good security.

Mr. BLANTON. How about the bonds without the tax-exempt feature?

Mr. MILLS. But they have the tax-exempt feature.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution.

The question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and there were on a division (demanded by Mr. LAGUARDIA)—ayes 103, noes 31.

So the resolution was agreed to.

Mr. WAINWRIGHT. Mr. Speaker, I move that the committee resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2287) to permit the Secretary of War to dispose of and the Port of New York Authority to acquire the Hoboken Manufacturers' Railroad.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman from New York yield?

Mr. WAINWRIGHT. Certainly.

Mr. GARRETT of Tennessee. I do not think the rule provides who shall control the time. Does not the gentleman think it would be well to arrange before we go into Committee of the Whole House to provide for that?

Mr. SNELL. Yes; I think it would. I supposed members of the Committee on Military Affairs will control the time.

Mr. WAINWRIGHT. I am not aware of any member of the committee who is opposed to the bill.

Mr. GARRETT of Tennessee. I will suggest, if the gentleman will permit, that the time in favor be controlled by the gentleman from New York [Mr. WAINWRIGHT] and the time against be controlled by the gentleman from Texas [Mr. GARRETT].

Mr. WAINWRIGHT. That will be satisfactory to me.

The SPEAKER. The gentleman from New York asks unanimous consent that one half of the time be controlled by the gentleman from Texas [Mr. GARRETT] and the other half by himself. Is there objection?

There was no objection.

The motion of Mr. WAINWRIGHT was then agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. TILSON in the chair.

Mr. WAINWRIGHT. Mr. Speaker, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. The gentleman from New York asks unanimous consent to dispense with the first reading of the bill. Is there objection?

Mr. LAGUARDIA. I object.

The CHAIRMAN. The gentleman from New York objects; and the Clerk will read the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized, for such sum and on such terms and conditions as he may deem best, to sell to and dispose of, and the Port of New York Authority is authorized to acquire from the Secretary of War, the stock of the Hoboken Manufacturers' Railroad Co., said corporation being the lessee of the line known as the Hoboken Shore Road, now constituting part of Belt Line No. 13 in the comprehensive plan for the development of the port of New York, adopted by the States of New York and New Jersey under chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922, and ratified and confirmed by the Congress of the United States by Public Resolution 66, Sixty-seventh Congress; and the Secretary is authorized and empowered to take and accept in lieu of cash the bonds of the said Port of New York Authority, secured by such lien as the Secretary in his discretion may determine is proper and sufficient; and upon such acquisition the said railroad shall continue to be operated in intrastate, interstate, and foreign commerce and in accordance with the provisions of the said comprehensive plan for the development of the port and the improvement of commerce and navigation: *Provided*, That the operation of said railroad in intrastate, interstate, and foreign commerce shall be subject to the jurisdiction of the Interstate Commerce Commission in the same manner and to the same extent as would be the case if this act had not been passed: *Provided further*, That the Secretary shall attach such conditions to such transfer as shall insure the use of such railroad facility by the United States in the event of war or other national emergency: *Provided further*, That in order to facilitate the interchange of freight between rail and water facilities, such railroad, if acquired by the Port of New York Authority hereunder shall be operated in coordination with the piers and docks adjacent thereto so long as said piers and docks are owned and operated by the United States Government or by any agency thereof, or by any corporation a majority of whose stock is owned by the United States: *Provided further*, That if the Port of New York Authority fails to agree upon terms and conditions of sale which are considered satisfactory by the Secretary of War, he is hereby authorized to sell and dispose of the stock of the Hoboken Manufacturers' Railroad Co. or all or any part of the real and personal property of the Hoboken Manufacturers' Railroad Co. to any purchaser or purchasers upon such terms and conditions as he may deem best, subject, nevertheless, to the provisos hereinabove stated: *Provided further*, That if the Secretary of War shall deem it to be in the public interest that any real or personal property owned by the said Hoboken Manufacturers' Railroad Co. not connected with the railroad itself should be separately disposed of or held for later disposition, he is hereby authorized to cause such property to be transferred from the said Hoboken Manufacturers' Railroad Co. to the United States, and thereafter to sell the same upon such terms as he deems best, or if more expedient, he is hereby authorized to form a corporation to acquire such property, and is authorized to cause such property, or any part thereof, to be transferred from the said Hoboken Manufacturers' Railroad Co. to such new corporations so organized and to accept in place thereof the stock of such new corporation, and to hold the same until such time as he secures what he shall deem to be a fair and reasonable price for such property, at which time he is authorized to sell said property in whole or in part or the stock in the said new corporation to which such property is transferred on such terms and conditions as in his judgment will best promote the public interest, and the Secretary of War is further authorized to make and impose any terms, conditions, or reservations necessary to effectuate the purpose hereof, and to enter into such contracts as will effectuate the same: *And provided further*, That nothing in this act shall be construed as relieving or exempting the property acquired hereunder by the Port of New York Authority from any municipal taxes or assessments for public improvements, and nothing herein contained shall be construed as an expression on the part of the Congress as to whether the States of New York and New Jersey, or either of them, should relieve or exempt the said Port of New York Authority from taxation or subject the said port of New York or any of said property to taxation.

Mr. WAINWRIGHT. Mr. Chairman, I yield myself five minutes.

Mr. GARRETT of Texas. Mr. Chairman, I want to yield my control of the time to the gentleman from New York [Mr. BOYLAN].

Mr. WAINWRIGHT. That will be agreeable to me.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that he may yield the control of the time to the gentleman from New York [Mr. BOYLAN]. Is there objection?

There was no objection.

Mr. WAINWRIGHT. Mr. Chairman, and gentlemen of the House, the only question involved in this bill is whether Congress is willing to accede to the joint requests of the States of New York and New Jersey as expressed in the resolutions of the legislatures of those States, and also of this public agency which has been established by the joint action of the two States and whose comprehensive plan for the development of the commerce of the port of New York has been ratified and approved by Congress.

The Port of New York Authority is not a private agency. It is not a private corporation. It is a public or governmental agency—an arm of the governments of the States of New York and New Jersey, and in a sense an arm of the Government of the United States. The only question is this: This little railroad connecting the Hoboken piers with the railroads' terminal at the shore front is one of the utilities acquired by the Government during the war which still remains in its hands. The Government of the United States has no further need for it, no particular interest in retaining it. Its only interest, which is provided for in this bill, is that in the event of another war it should revert to the Government; also that it should be disposed of to good advantage.

Now, as the Government has no further need for it, the question is whether it shall sell it at public auction or by private negotiation. In either case it would fall into the hands of one of the railroads entering the port of New York on the Jersey side—in all probability to the Delaware, Lackawanna & Western Railroad Co. The question really is whether we shall give that railroad a monopoly of the contact between the great Hoboken piers and all the railroads, or whether we shall turn it over to public agency charged with the duty of developing the facilities of the port of New York, and increasing and developing its commerce. It seems to me that that question answers itself.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I prefer to finish my statement. In other words, it is more in the interest of the public, more in the interest of the people generally; yes, of the people of the whole country, that this railroad should remain under public control and under public ownership than that it should be turned over to any individual railroad company and, in effect, put to private uses. If that question is answered, then the further question arises as to the consideration.

It is true that the Delaware, Lackawana & Western Railroad Co. has offered the Secretary of War a million dollars in cash for the road. But the port authority offers the same amount, payable, however, not in cash, but in the form of its first mortgage bonds, secured by a lien on the property. As the gentleman from New York [Mr. MILLS] has stated, there can, of course, be no question but that the cash offer would appear at first sight more in the interest of the Government. But the question is really whether the advantage to be derived by the people of the United States from continuing this railroad in public ownership and operation under the conditions in question is sufficient to overcome the difference in advantage between a payment in cash or the acceptance of these bonds in lieu of cash. I assert, and it was, I believe, the unanimous opinion of the Committee on Military Affairs, that the public considerations involved were amply sufficient to justify taking the bonds.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. Yes.

Mr. McKEOWN. I am in sympathy with the proposition of its not going into private hands; but the question I want to know is, where is the lawyer who says that a corporation without being incorporated, merely existing under a treaty agreement between two States, can issue bonds of any denomination?

Mr. WAINWRIGHT. The gentleman should get the idea of a corporation out of his mind in thinking of this Port of New York Authority. It is not a corporation in any sense. It is an agency of the two States.

Mr. McKEOWN. I want to know whether they can issue bonds—what legal authority they have to issue bonds.

Mr. MILLS. The law which created it specifically authorized it to issue bonds.

Mr. McKEOWN. Under what agreement? Has it ever been held by a court that a mere agreement between two States creates a power to exercise the functions of a corporation and issue obligations?

Mr. WAINWRIGHT. The joint identical acts of the States of New York and New Jersey confer upon this public agency the right to acquire and to operate properties and issue its obligations in payment for them. As far as the security for these obligations is concerned, the railroad itself would be abundant security; but there is no question but that in the future this port authority will acquire and develop many other properties which will be in its ownership and control upon which these bonds will be a lien. There should be little question about the sufficiency of the security of the mortgage under which these bonds are issued.

Mr. BLANTON. What about these $18,000 salaries that the gentleman from New York tells about?

Mr. WAINWRIGHT. In view of the request from these States, of the manner in which this matter comes before us, and in view of the public interest involved, there can be no valid reason for voting against this bill, and I sincerely trust that it will receive the approval of this committee and of the House.

Mr. LAGUARDIA. The gentleman is the author of the bill. Is it the intent of the bill to enact a direction to the Secretary of War or simply an authorization for him to act in his discretion?

Mr. WAINWRIGHT. This bill by its terms merely authorizes the Secretary; but as I stated during the debate upon the rule, the Secretary undoubtedly would interpret the passage of this bill as an expression of the will of Congress and in effect a direction to him to make this transfer.

I yield 10 minutes to the gentleman from New York [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman, this bill really dates back in its history to the war. Within the port authority there are 9,000,000 people, but that is not so important as the fact that during the war we found that the freight from this country was piled up for 50 miles outside of the city of New York, and we could not get our aid to the Allies and our supplies for ourselves in the time within which they were required. Alfred H. Smith, the president of the New York Central Railroad, was in charge of our transportation service, and he told me during the war that he had word from Marshal Haig and from Marshal Foch that unless we were able to speed up our supplies the war was lost. Why was that? It was because down in the city of New York we sent all of our freight through the congested part of the city, right down in the very heart of New York. We had no facilities to send through freight around the city, and the port authority was established with this idea, which has crystallized throughout the United States and has been the most important advance in railroading within the United States within the present generation.

Mr. CLEARY. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. In a moment. That advance is this: We find that a freight car travels in the country 13 miles a day and that it travels through a congested center but 1 mile a day. The whole art of making railroad facilities better than they have been, the most important advance in railroading in the present generation, is the sending of through freight around instead of through congested centers, and the port authority was established with the idea of utilizing that idea in freight-handling facilities and of simplifying and making less expensive the distribution of freight in the metropolitan or port area. It was established with the idea of connecting up all of the railroads in the port of New York area and all of the water facilities, so that there might be a complete interchange, and the gentleman from New York [Mr. CLEARY], who is now asking me to yield, knows that in furtherance of that plan the Committee on Rivers and Harbors, of which he was for a long time a very able member, granted deep water to the New York and New Jersey channels and to Newark Bay and Jamaica Bay, so that we might furnish the water facilities for this system. The port authority is going to link up by belt-line railroads, by tunnels, and subways all of these railroads that come into the city of New York and into the port area in New Jersey, a dozen of them, with the waterways, so that we will send freight bound for Europe around New York and take freight from Europe, not bound for the city of New York, around New York to the interior of the country.

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. SNELL. Will not the gentleman please withdraw that for the present. Let us run along for a while.

Mr. BLANTON. This is Saturday afternoon.

Mr. SNELL. That is all right; but if the gentleman insists upon it we will have to call the Members back.

Mr. BLANTON. Does the gentleman expect to finish this debate and pass the bill to-night?

Mr. SNELL. We would like to run along as long as we could.

Mr. BLANTON. How long?

Mr. SNELL. We want to run until 5 o'clock.

The CHAIRMAN. Does the gentleman insist on his point of no quorum?

Mr. BLANTON. I withhold it with the understanding that they are going to quit at 5 o'clock.

Mr. SCHAFER. I suggest that we should have——

The CHAIRMAN. The gentleman from New York has the floor. Does the gentleman yield?

Mr. SCHAFER. I make a point of order of no quorum, and I suggest that inasmuch as this bill departs from the pledges of the last Republican platform, and in view of the absence of a considerable number of regular Republicans——

Mr. RAMSEYER. Mr. Chairman, I make the point of order that the gentleman is out of order.

The CHAIRMAN. Does the gentleman insist on his point of order?

Mr. SCHAFER. I do.

The CHAIRMAN. The Chair will count.

Mr. SCHAFER. Mr. Chairman, I will withdraw the point of order, as I understand we are only going to continue until 5 o'clock.

The CHAIRMAN. The gentleman from New York.

Mr. DEMPSEY. Mr. Chairman, the port authority was established by the two great States of New York and New Jersey because it was agreed, and it is perfectly plain, that some unified authority, some authority which had to deal with the port of New York as a whole, should carry out a system of unifying that port and making it possible to carry through freight otherwise than through the congested part of the city and distribute local freight in the simplest and most economical way, and that in no other way could the port be properly utilized.

Mr. CLEARY. That is the question I wanted to have understood. Will the gentleman yield?

Mr. DEMPSEY. Very briefly.

Mr. CLEARY. I just want to say for 50 years I have been in New York and saw every carload, every boatload and every ton of freight surrounding the whole Manhatten Island going to every place it wanted to go by water, kept off the streets so as to avoid congestion, and that the same condition prevails now, and there are tens of thousands of tons of freight being distributed in that way in the port of New York. In that way they could go in any way they wanted to any pier they wanted to go.

Mr. DEMPSEY. I decline to yield further. Now, if the gentleman pleases, the purpose of giving deeper water through the New York and New Jersey channels and Newark Bay was to enable the seven great railroads which come into Newark to have facilities to distribute their freight direct to the steamships and receive freight direct from the steamships. The question here is not simply a question of selling this short-line railroad direct to a railroad, or selling direct to the port authority. The question is, which of those two will help to unify the port of New York and make it so that it will be possible to do two things—to avoid congestion in that port and to distribute through freight in the port around the city and not send it through the congested part of the city. Of course, each railroad will act in its own interest. It is interested simply in operating its own lines, and properly so, to the greatest advantage and the greatest profit. The port authority is interested in the whole port of New York in so receiving, handling, and forwarding freight as that it can go with the greatest facility and at the least cost. It has that one object to accomplish. It does not serve any particular interest. It is not trying to operate like a single railroad, but is trying to utilize the whole port to the greatest advantage. For instance, if freight comes into the port through New Jersey it is interested to distribute that freight without sending it by lighter over to the city of New York, unless that is its ultimate destination, but by loading direct on the Newark docks on steamships bound for Europe or sending it elsewhere directly and at the least cost to its destination.

Mr. McKEOWN. Will the gentleman yield?

Mr. DEMPSEY. Briefly.

Mr. McKEOWN. What is the corporate length of life of this particular organization?

Mr. DEMPSEY. I imagine it is 99 years, which is the usual length. Now, I want to come to just one other question. First, there can be no question that the port authority, which is incorporated with the sole purpose of unifying the port, lessening costs of distribution, and avoiding congestion, will do this work better than a single railroad, which has only its own interests in mind. The only other question is the question of security. Let us examine that. There are 1½ miles of railroad. We are going to deepen the water of Newark Bay to-day, and there will in the near future be much more freight on the Jersey side than in the past, and this railroad, by reason of increased earnings and through the growth of its business, will be worth much more than it is to-day. It is going to increase in value hugely in 10 years. We will not have to wait 30 years, which is the life of the bonds which are to be given in payment. At the end of 30 years it will be worth three or four times the amount of the bonds, and back of that are two other things. First, the port authority is going to expend five or six hundred million dollars in unifying the port, and it will have an unquestionable responsibility. And beyond all increase in the value of the railroad, beyond the responsibility of the port authority, the moral responsibility to the two great States of New York and New Jersey will be back of these bonds.

The port authority is only their agency, acting for them, carrying out their desires, unifying this port, simplifying and cheapening the cost of transfers in and of transportation through the great city of New York, making it possible for this great country of ours to supply those 9,000,000 people who live there with their daily needs.

Mr. LaGUARDIA. Mr. Chairman, is it the gentleman's understanding of the bill that this is a direction to the Secretary to take the bonds or simply to authorize him to do so, in his discretion?

Mr. DEMPSEY. I think it is a direction, because the Secretary has said he would not assume the responsibility of doing this without the sanction of Congress. There is no doubt but that the Secretary will interpret it as giving him the authority that he did not want to assume.

Mr. LaGUARDIA. Is it directory or mandatory?

Mr. DEMPSEY. Oh, any man can read the language and see that the language is only permissive. The gentleman can read that as well as I can. But it will be interpreted as a direction and as the authority of Congress, and the Secretary will act upon it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SNELL. Mr. Chairman, I yield to the gentleman one more minute.

The CHAIRMAN. The gentleman from New York [Mr. DEMPSEY] is recognized for one minute more.

Mr. FAIRCHILD. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. FAIRCHILD. I want to make a suggestion, that the letter of February 11, 1925, written by the Secretary of War to my colleague from New York [Mr. LaGUARDIA], who asked the gentleman the question, shows that the Secretary of War himself used the words "direction" and "authorization" as interchangeable terms.

Mr. DEMPSEY. There is no doubt about that.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. McSWAIN. If it is merely permissive authority and the Secretary of War will not act upon it unless it is in so many words a direction, then the gentleman from New York should be satisfied. It would not harm him any.

Mr. DEMPSEY. Not in the least.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BOYLAN. Mr. Chairman, I yield three minutes of my time to my distinguished colleague from New York [Mr. CLEARY].

The CHAIRMAN. The gentleman from New York is recognized for three minutes.

Mr. CLEARY. Mr. Chairman and gentlemen, I had not expected to inject myself into this argument, but when the distinguished gentleman who used to be my chairman was on the floor he made a suggestion to the effect that until you get this road you would not have any way by which to distribute this freight all the way around New York.

If you gentlemen would come up there and see what I have seen there ever since I was a boy, you would notice that every railroad entering New York has its docks and delivers its stuff to lighters in the boats in order to reach its destination quickly. There are hundreds of trains of freight going out and coming into New York every day. All the great electric light companies and the mills and the factories and the coal yards and all the flour mills are located principally on the water front so as to receive their goods without causing street congestion. That is all thrown on the water. The boats load thousands of tons of freight in the course of two or three hours—freight that the railroads have dumped in from above. This freight comes alongside of the ship, and even if it is thousands of tons of grain, it goes out in a few hours. That method of delivery is the quickest in the world. I have carried thousands of tons of freight at the rate of 15 cents a ton from New York to Hoboken. I would take a million tons to-day at 30 cents a ton. You could not cart it to the bridge to get it over on cars for this rate.

This thing will never trouble me any, because of the way New York has been built up beyond any city in the world or any other city in the United States, fully establishes the fact that it was built right, and it is doing its work right. It keeps the congestion off the streets.

The idea of the gentleman is amusing when he says they would bring the freight around to the ships on wheels of some kind. The boat goes over there within half an hour from the place where it receives its freight in New Jersey, and is alongside the ship, where it should be, in the water. That is the system, and you can not beat it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BOYLAN. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. BLANTON. Will the gentleman from New York now explain about the proposal to congest the streets of New York with trucks?

Mr. CLEARY. Yes. It is ridiculous. Of course, if I were a fellow having a large interest in a trucking company and wanted to create a monopoly, I would be in favor of that proposition. I have a clipping in my pocket showing that there is a proposition now pending somewhat along that line, coming from a great trucking company. There are hundreds of people in New York engaged in this business. The railroads have their lighters, and individuals have theirs, and it is a large business. They deliver this freight for miles and miles all over Brooklyn and all over Long Island.

I have carried it for 29 cents a ton from way down in New Jersey to New Haven, Conn., and was glad to get the contracts.

Mr. McSWAIN. Will the gentleman give us his mature judgment as to who should own this little short railroad, if anybody, other than the United States Government?

Mr. CLEARY. All I was answering——

Mr. McSWAIN. But please answer that question.

Mr. CLEARY. Was the necessity of having this in the interest of the commerce of New York. Somebody made the statement it was necessary in order to give New York its commerce and protect it. I say it is not. New York is doing

it the way it should be done and that is proven because New York has outgrown every city in the world. There is no better way of distribution than they have now, and it is all bunk to say you want the other. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BOYLAN. Mr. Chairman, I yield three minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman and gentlemen, it is just such measures as this, put through Congress as this measure is being forced through Congress, that destroys the confidence of the American people in this legislative body. [Applause.] I say, gentlemen, that there is not a man here who can vote for this bill and on that record alone go before his constituents and ask reelection.

The Government of the United States now owns a railroad in Hoboken, N. J., 1.2 miles long; it was acquired during the war and we now have no need for it, and of course we desire to sell it. There are two customers, one a railroad company that offers $1,000,000 in cold cash, the other customer is the Port of New York Authority, a corporation created by the two sovereign States of New Jersey and New York—to develop the great port of New York. This customer, the Port of New York Authority, comes here on their knees, with an empty pocketbook, and beg the United States Government to sell them the road on credit and do not propose to pay any part of the purchase price in cash, but they ask us to take their note for $1,000,000, and the only security they offer is a mortgage on the property they are buying for the full amount of the purchase price. In other words, they ask the United States Government to act as a wet nurse for the Port of New York Authority. Why should not the States of New Jersey and New York advance this $1,000,000? Those States entered into a treaty creating this corporation known as the Port of New York Authority for the development of that great port on a new and stupendous scale.

The gentleman from New York [Mr. SNELL], who is the chairman of the Rules Committee, has told us, and the gentleman from New York [Mr. WAINWRIGHT], who has just left the floor, has told us that the New York Port Authority expect to expend $500,000,000 or $600,000,000 in the development of this port. If that is so, why in the name of reason and common sense has not the Port of New York Authority enough credit to go into the great financial district of New York, the metropolis of the United States, and borrow $1,000,000 with which to match the offer of the Delaware & Lackawanna Railroad Co.?

These port authorities need and want this railroad, but they want it without paying for it. It is ridiculous for men who pretend to be financiers to come in here and ask the United States Government to turn down an offer of a million dollars cash for this road and to accept $1,000,000 mortgage back on the road. Why ask the United States Government to finance their project? If they want this railroad, why do not they offer the cash like the other bidder has done? This project is of such importance, my friends, that two sovereign States have entered into a solemn treaty for the development of this port and expect to spend $500,000,000 or $600,000,000 on it, and yet they come here pleading poverty and say to the United States Government, "You finance this proposition; you sell us this property, and for the entire purchase price take bonds maturing in 20 or 30 years." Why, gentlemen, it is ridiculous, and it is just this sort of legislation that destroys the confidence and the respect which the American people have in Congress. [Applause.]

Mr. LAGUARDIA. Will the gentleman yield?

Mr. LOZIER. Yes.

Mr. LAGUARDIA. Does not the gentleman know that the New York Central can get anything it wants in New York?

Mr. LOZIER. I do not know whether it can or not, but I do know this bill is a pernicious and indefensible piece of legislation. If these people want the Government's property, let them pay the cash for it.

Mr. LAGUARDIA. I will tell the gentleman it can.

Mr. O'CONNELL of New York. Not under the present administration in the city.

Mr. LAGUARDIA. But it can under the present administration in Congress.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BOYLAN. Mr. Chairman, I yield seven minutes to the gentleman from New Jersey [Mr. EAGAN].

Mr. EAGAN. Mr. Chairman and gentlemen——

Mr. DENISON. Will the gentleman yield for a question?

Mr. EAGAN. For a brief question, yes; because I have but little time.

Mr. DENISON. I would like to get this information: I would like to know whether under the law creating the Port of New York Authority that commission has conferred upon it the power of eminent domain? Can the Port of New York Authority enter condemnation proceedings to secure property if it wants to?

Mr. EAGAN. I am not sure; but I do not think it has the power of eminent domain.

Mr. DENISON. I would like to have that information from somebody.

Mr. LAGUARDIA. If the gentleman will yield——

Mr. EAGAN. I will yield.

Mr. LAGUARDIA. I will say it can not condemn property.

Mr. DENISON. I want somebody who knows to give me that information, because one gentleman has told me it can, while the gentleman from New York [Mr. LAGUARDIA] says it can not.

Mr. LAGUARDIA. I will say to the gentleman it can not.

Mr. EAGAN. Mr. Chairman and gentlemen of the committee, I think the speech of the gentleman from Missouri [Mr. LOZIER] who just preceded me is ample evidence of the unwisdom of forcing this legislation through in this hasty manner. I can not believe, if the results which the gentleman from New York [Mr. MILLS] has predicted will flow to the people of all of the country from the operations and activities of the Port of New York Authority are ever realized, that the Secretary of War will go ahead and deprive the people of the country of those wonderful benefits by disposing of the property to a private railroad corporation that might be opposed to the plan of the Port of New York Authority. I for one am willing to trust the Secretary of War to do the right, fair, and square thing. In the few minutes I had in the discussion of the rule, I explained the anxiety of Hoboken in this tax matter. And it is very natural that we should be concerned about it.

I do not think I stated in my remarks in speaking against the rule that in addition to the railroad proposed to be transferred to the port authority, there are 110 back lots, so called, which under certain conditions we may lose the taxes on. The gentleman from New York [Mr. MILLS] was surprised when I told him that the Senate bill authorized the Secretary of War to turn over this real estate to the United States. True, under the bill, if he deems it more expedient, he may turn it over to a corporation to hold the property, in which case I assume we would continue to get the taxes; but if the back lots and any other real estate of the Hoboken Manufacturers' Railroad should be turned over by the Secretary of War and the title vested in the United States, we would be in the same position exactly as to such property that we are in with regard to the pier properties and the taxes on those properties.

Mr. McKEOWN. Will the gentleman yield?

Mr. EAGAN. I yield.

Mr. McKEOWN. I have been trying to find out from somebody what authority to execute bonds or just what corporate power this so-called Port of New York Authority has. It is the strangest corporation I have ever had anything to do with, and I can not understand its powers.

Mr. EAGAN. I am not, of course, speaking for the Port of New York Authority, and I am not opposing it; nor am I holding any brief for the Lackawanna Railroad Co. I do not believe the officials of the city of Hoboken are opposed to the Port of New York Authority if this question of the taxes is absolutely settled in their minds. The Port of New York Authority is a creature of the States of New York and New Jersey by a treaty between the States ratified by the Congress, and it is that ratification that is one of the causes for our worry with regard to the matter of taxes.

Mr. McKEOWN. How are the directors elected and for what term did this treaty provide this organization should exist?

Mr. EAGAN. I do not know. I presume it is until such time as its existence may be terminated by subsequent legislation of the States.

Mr. McKEOWN. There is nothing, then, to prevent the State of New Jersey, if it saw fit, from abolishing the Port of New York Authority, so far as it is concerned, between now and the 30 years for which the bonds would run.

Mr. McSWAIN. There is the provision of the Constitution of the United States which denies to any State the right to impair the obligations of a contract.

Mr. EAGAN. At the proper time in the consideration of the bill under the five-minute rule I propose to offer amendments, the purpose of which will be to turn this railroad over to the city of Hoboken. In the annual report of the port authority issued under date of January 24, 1925, the port authority say that they are willing that this should be done. They say they

are willing that the property be turned over to the Shipping Board, to the Port of New York Authority, to the State of New Jersey, or to the city of Hoboken.

I believe the pier properties and this shore-road property should not be divided in ownership. It is not divided in ownership, of course, at the moment, because the United States Government has title to the piers and has the stock of this railroad company, and therefore owns the railroad. I think until such time as it is definitely decided what they are going to do with the pier properties we ought to postpone action on this matter of the shore road, and I think this matter is one that can very properly be delayed. I see no reason for all this haste, and, as I said before, I am perfectly willing to trust the Secretary of War to do the right and the fair and the square thing by all of the people of the country, and if the right and fair and square thing to do is to withhold the offering of this property at public sale until the whole question of taxes and all other collateral questions are decided, I am sure that the Secretary of War will postpone action until that time, if this bill is not passed.

Mr. WATSON. Will the gentleman yield?

Mr. EAGAN. I yield.

Mr. WATSON. Did the railroad company own the land in fee simple on which the tracks are laid or only have the right to lay the tracks upon the land?

Mr. EAGAN. The Hoboken Manufacturers' Railroad Co. is the lessee of the Hoboken Railroad, Warehouse & Steamship Connecting Co. under a 99-year lease, of which about 83 years are yet to run.

Mr. WATSON. Did they own the land in fee on which the railroad is built?

Mr. EAGAN. I believe a part of the land on which the road is built is owned by the lessor company; another part of the railroad is laid on one of the city streets.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. WAINWRIGHT. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from New York [Mr. WAINWRIGHT] has 11 minutes and the gentleman from New York [Mr. BOYLAN] has 15 minutes.

Mr. WAINWRIGHT. I would like to say, Mr. Chairman, as I have only one more speaker, I would like to reserve my time and close the debate with the remaining speaker on this side.

The CHAIRMAN. The gentleman from New York [Mr. BOYLAN] has 15 minutes to yield.

Mr. BOYLAN. I would like to close this debate on my side, Mr. Chairman. I yield myself five minutes.

Mr. BOYLAN. Mr. Chairman, I was a member of the State senate in the State of New York when this port authority plan was first proposed in 1917. Year after year various reports were made to the legislature, and finally in 1921 a so-called comprehensive plan taking the entire portion of the port was adopted by the Legislature of New York over the protests of the city of New York. The distinguished gentleman who spoke here said that there were 9,000,000 people within the port limits. Yes; but 6,000,000 of those 9,000,000 people within the port limits were opposed to the creation of this port authority.

Mr. DEMPSEY. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. DEMPSEY. Was not Governor Smith in favor of it?

Mr. BOYLAN. The present Governor of New York was not governor when this was passed.

Mr. DEMPSEY. Was not Governor Smith always in favor of it?

Mr. BOYLAN. I hope the gentleman will not take up all of my time. The bill creating the port authority up to the time it was presented to the legislature was to contain a proviso that two members of the three appointed by the governor of the State would be recommended by the mayor and the board of estimates of the city of New York, but when the bill was presented to the legislature that clause was stricken out. The bill provided for the appointment of three members by the governor of the State.

The policy of the city of New York since 1870 has been to own its own water front. Practically all the water front of the old city is owned by the city of New York, because since the year 1870 up to the present time the city has taken over practically, by condemnation, the water front of the Borough of Manhattan, and after hundreds of millions of dollars have been put into that water front by the city, along comes the port authority and wants to dictate to the city of New York how it shall improve its water-front property.

This port authority has produced a so-called comprehensive plan. Why it is like reading a story from the Arabian Nights to go through the plan and see what is going to happen. I am not a prophet nor the son of a prophet, but I want to state here and now that within the lifetime of any man sitting within the sound of my voice or the lifetime of his immediate descendants I do not think this thing can ever be accomplished. You would want the wealth of a Croesus in order to do one-fifth or one-tenth of the things contemplated under this so-called comprehensive plan. As a sample illustration of part of the plan, there is to be an automatic railroad and by pressing a button in New Jersey you are going to send a train of electric cars under the Hudson River, without an engineer or conductor, into the sixth floor of a warehouse somewhere on the New York side of the port. [Laughter.] Ah, gentlemen, you would have to have the most fertile and vivid imagination, beyond that possessed by any Member of the House, to bring into realization the smallest fraction of this so-called comprehensive plan.

A distinguished gentleman from New York, an experienced boatman around the harbor of New York for the past 50 years, has designated this thing as being foolish beyond compare. The great people of the city of New York oppose this because we fear it is an entering wedge upon the splendid development that we have made at our own cost and expense. Without the city of New York the port authority is little or nothing; the Jersey shore is practically controlled by railroads entering the port. The city has within the last two years completed an extensive development on the water front of the Staten Island shore, the Borough of Richmond; it has built 12 magnificent piers, capable of taking the largest ship afloat, capable of docking ships 1,200 feet in length, all at its own cost and expense, without asking a dollar from the Federal Government.

Here is this magnificent water front going to be turned over to the port authority, a development that we have made at our cost and expense. Our docks, our harbors, can float to-day the ships of every nation in the world; they can ride in safety in its landlocked embrace. This development has been done at our own cost, without a dollar from outside source. We want to pass it on as a priceless heritage to those who come after us in the great metropolitan city. [Applause.]

Mr. DEMPSEY. Are not you developing at the present time a bay which is larger than all of the harbors that you have—are not you developing New York and New Jersey Channels and Newark Bay? When they are united, there will be three times what you have now.

Mr. BOYLAN. I am speaking of the city of New York and what it has developed. I am not speaking of what the Federal Government is developing. These propositions and projects are developed by the Federal Government and not by the city of New York.

Mr. DEMPSEY. Oh, no; they are in conjunction with the city of New York.

Mr. BOYLAN. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, the gentleman from New York, my colleague [Mr. MILLS], wants to close the debate. This is a very simple business proposition. If the port authority is so necessary, is so sound in its purpose, and has the backing of the State of New York and the State of New Jersey to the extent described by the gentleman from New York [Mr. MILLS], why can it not raise the $1,000,000 on its bonds and pay the United States Government in cash? Gentlemen, this is a fight between railroads. The gentleman from New York [Mr. MILLS] laments the fact that the railroads might get some water front in New York, that the New York Central and the Erie Railroad would be at a disadvantage if the Lackawanna got this. Why should the Lackawanna get it? Why should any railroad get it, directly or indirectly? The gentleman from New York served in the State legislature. I never heard of his introducing a bill or doing anything to stop the New York Central from getting water-front property in New York Harbor. The Erie Railroad wants to buy this property, but it has not the cash. Then this idea is conceived of letting the port authority take over the property and give its bonds for it. I am going to ask you gentlemen to at least support an amendment that will make it mandatory on the Secretary of War to separate the first mortgages and the Liberty bonds and the cash that he owns and not turn them over to the port authority for their worthless bonds, and when I say "worthless" I use the word advisedly. They have been in existence all of these years. They do not own a foot of property. They do not operate any terminals, any siding, any warehouse. They have no property and no credit. The very law that created this port authority specifically pro-

vided that it could not pledge the credit of the State or of any municipality thereof.

Mr. STEVENSON. Are these bonds to be secured by this property?

Mr. LAGUARDIA. One hundred per cent.

Mr. STEVENSON. Then the railroad is to be sold to the port authority on credit, and the Secretary of War is to take the bonds of the Port of New York Authority?

Mr. LAGUARDIA. Yes.

Mr. STEVENSON. And the bonds are secured by the property?

Mr. LAGUARDIA. Yes. But they would soon get rid of the Liberty bonds. I know this port authority. I was a member of the board of estimates for two years, and I had the port authority before me with their schemes and promises. To date all that they have produced are blue prints. The gentleman from New York [Mr. WAINWRIGHT] has absolutely delivered the Secretary of War. He said that if we passed this bill the Secretary of War is going to dispose of the property in accordance with the authority herein granted. I doubt it. I think the Secretary's letter is as clear as it is possible to write the English language. He says that he will not take the bonds unless he is specifically directed so to do.

There is no politics in this! Oh, no! There is never any politics in New York when the New York Central wants something! There is never any politics in New York when the Erie Railroad wants something! Do you see the unholy alliance? Here is my friend, the great leader of the Tammany delegation, the gentleman from New York, Mr. CAREW, constituting himself an able lieutenant of the gentleman from New York, Mr. MILLS, keeping his forces here on the front-line trenches, and they have been waiting here yesterday and to-day, notwithstanding the fine weather and the week-end. Of course, there is an alliance, as there always is in Albany when any of the railroads are concerned. I am not going to lose one bit of my stand for Government operation of public utilities by my attitude on this proposition. I think when the gentleman from New York [Mr. MILLS] gets on the floor of this House and advocates Government operation, and I come here and oppose it because it is a railroad scheme, that you had better look up our records and see who is acting sincerely.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BURTNESS. Would the gentleman oppose this bill if it provided for the payment of the purchase price in cash?

Mr. LAGUARDIA. I would not.

Mr. BURTNESS. With the amendment that the gentleman suggests?

Mr. LAGUARDIA. I would not. I would vote for it. Let us strike out the provision authorizing the Secretary of War to take the bonds; let us say that he must take cash, and you will never again hear of the port authority.

That is all they have been dealing with; that is, paper and blue prints. I leave that to my friend from New York [Mr. CLEARY], who has had some experience with the port authority. He is not a manufacturer of ladies' underwear; he knows something about that transportation problem. Why, the gentleman from New York [Mr. MILLS] knows that this port authority had a conference, a breakfast. The bankers were invited and the financial interests were invited, and they explained this very scheme. They showed the maps and showed the blue prints and pictures, and the bankers turned them down flat. Why, the bankers told them plainly that they were not going to take their bonds; that without the indorsement of the State or municipality their bonds were no good. The bankers said that they, the port authority, did not have any credit, and they would not take their bonds. Then the port authority came to Washington. They sent this report with these pictures of railroads and warehouses, and they did not own any of these properties, they did not own a bit of it. It is misleading; it is misrepresentation pure and simple. The port authority is seeking to deceive you by sending out this report. They do not own one foot of the property which these photographs and pictures depict and which are in this report. Let the gentleman from New York say otherwise if he truthfully can. The question was asked if this authority had the right of eminent domain to go and condemn property. Of course it has not. How can it, when there are no resources back of it? That is elementary.

Mr. STRONG of Kansas. Then I understand the gentleman has no objection to this bill except he is out for security for the bonds?

Mr. LAGUARDIA. I am sure about it; I know it. I was up against it for two years when I was on the board of estimates and appraisement.

Mr. STRONG of Kansas. The gentleman would approve the bill if the bonds were good?

Mr. LAGUARDIA. I want the Government to get cash or keep the property.

Mr. CAREW. Why does not the gentleman think the United States Government ought to give this property to the people of the community up there?

Mr. LAGUARDIA. Let them give it to the city of Hoboken and I will vote for it.

Mr. CAREW. The gentleman comes from the city of New York, why vote to give it to the city of Hoboken?

Mr. LAGUARDIA. Because there is too much at stake——

Mr. CAREW. Why does not the gentleman vote to give it to the city of New York. Why does he want to give it to the city of Hoboken?

Mr. LAGUARDIA. Let me inform the gentleman the property is in New Jersey and not in New York.

Mr. CAREW. There is no reason why it should not be given to the city of New York as well as to the city of Hoboken.

Mr. LAGUARDIA. I do not want to give it to the port authority under these conditions——

Mr. CAREW. Does not the gentleman think there is as much reason to doubt the gentleman's sincerity when he comes in here and opposes a public ownership and operation proposal as there is to doubt the sincerity of any other gentleman on this floor?

Mr. LAGUARDIA. I will say this to the gentleman——

Mr. CAREW. I would like to know where the gentleman got a reputation for sincerity, where he got a reputation for integrity?

Mr. LAGUARDIA. I served on the board of estimate and appraisement and was fighting these railroads when the gentleman was in Washington doing nothing about it. I will say to the gentleman I stayed Friday and Saturday, week after week, attending the sessions when the gentleman was not here. I fought the New York Central without the gentleman's aid. Does the gentleman want any more? If so, I will give it to him.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAINWRIGHT. Mr. Chairman, I yield the remainder of my time to the gentleman from New York Mr. [MILLS].

The CHAIRMAN. The gentleman from New York is recognized for 11 minutes.

Mr. MILLS. Mr. Chairman and gentlemen of the committee, I take it that the committee and Congress are interested in the merits of the proposition and are not interested in the motives which lead individual Members either to oppose or to favor it. If we were going into the question of motives and the reasons which prompt certain gentlemen to take the position they have taken this afternoon, I venture to say I could tell you an interesting story.

But what has that to do with this bill? What you gentlemen want to know are just two things, I take it: First, the interest of the people of the United States, including the interest of 9,000,000 people in the metropolitan area, that this railroad should be owned by a public agency; and in the second place, is that public agency in a position to give to the United States Government adequate compensation, taking into consideration all the circumstances?

Now, as to the first question, I do not think there is any doubt. The question is whether you make these piers and this little belt line available to all the railroads by putting it into the hands of the port authority or make it available only to a single railroad; that is, the Delaware & Lackawanna. That is all. There can be only one answer to that question, because it must be obvious from the standpoint of the city and that of the public that it is better to make these piers available to all the trunk lines than to make them available just to a single one.

My colleague from New York [Mr. LAGUARDIA] would have you believe that the two States have grown lukewarm in regard to this proposition. I will insert in the RECORD, without reading it, a telegram from the Governor of New Jersey urging this legislation in most emphatic terms, and one from the Governor of New York also urging this legislation in most emphatic terms. I want to quote to you what the governors have to say about the port authority.

I am not particularly interested as to my colleague's opinion of the port authority. Here is what the two executives of those two great States have to say as to this port authority. In his annual message a year ago Governor Smith said that the great plans for developing the port of New York for serving those 9,000,000 people and serving the people of the Nation are now well under way.

Governor Silzer, in a special message which he sent on January 26 last, said:

Remarkable progress has been made in this important work since the creation of the commission in 1918. There is no more important work in the public interest than the great enterprise of the port authority. Its work is of vital importance to every citizen of the State. The commission needs and is entitled to be supported by public opinion. Only by hard and active work has it been able to overcome opposition from private and political interests working against instead of for the public welfare.

Gentlemen, do not accept my word for it. Accept the word of the two men best fitted to speak for New York and New Jersey, their respective governors; and they are not members of my party. They say to you in their official capacity, representing those two great States, "We believe in the port authority; we are back of it. We demand and ask Congress to give them this little railroad, which is part of the comprehensive plan which our legislatures have approved and which you gentlemen yourselves have ratified."

Mr. McSWAIN. Mr. Chairman, will the gentleman yield there?

Mr. MILLS. I regret I can not yield.

Mr. McSWAIN. In a question I would like to show that Congress itself has approved of it.

Mr. MILLS. I would like to yield, but I want to cover the ground.

The gentleman has stated that there is nothing but paper and plans back of all these propositions. Let us see. The port authority has been authorized to build two bridges. Last week the Senate of the State of New Jersey passed a bill authorizing a loan of $2,000,000, if you please, to the port authority, taking in return not a first mortgage, if you please, but a second mortgage on the property, so that the port authority would be able to sell its bonds with the first mortgage as security and so complete this great public work. I am informed on the best authority that that bill will be passed by the New Jersey Legislature next Monday and that it will be signed by the governor, so that the State of New Jersey will expand this property to the extent of $2,000,000, taking a second mortgage in return, and I believe the State of New York will do the same, inasmuch as a bill to the same effect was introduced in the New York Senate and in the New York Assembly this week.

The best information I can get—and I believe it is reliable—is that this legislation will unquestionably pass the New York Legislature; and if it does, it will be signed by the governor, and New York State will loan $1,000,000 to the port authority, taking a second mortgage, in order to complete these great public works so necessary to the public of the two States. And is the Congress of the United States going to take this position: We think we would rather have $1,000,000 in cash, offered by a private corporation, than bonds offered by a public agency of the States, because the United States does business on a cash basis over the counter, irrespective of the large public interests involved?

I am not just speaking for the development of the port of New York; I am not just speaking for the interests of the 9,000,000 people who reside in the metropolitan area, but I say to you that the development of the port of New York, with cheap access by rail to the water front, is of infinitely more importance to the shippers all through the United States. Will you, by the vote of this Congress, deliberately say, "We will sell this important link, giving access to the water front, to a private corporation instead of to a public agency which will make it available to every railroad serving the water front"? If you do that, I say to you gentlemen that you are bartering away a thing which is of importance to every shipper in the United States, no matter where he lives or what his business may be. I say to you that this is not just a local bill. I say to you that this is a bill affecting the public interests of every shipper throughout the United States. The question is not whether you can get a few more dollars for this road one way or the other. The question is whether the United States Government is going to stand behind this great public work, being undertaken by two of the States of the Union, to furnish cheap access to the water front of the great port of New York. You have already ratified the treaty creating the commission; you have already ratified the comprehensive plan which takes in the very road under discussion. Now, gentlemen, are you going to reverse your action because you say some one came along, a private railroad, and offered the United States Government a few more dollars and that you would rather have the dollars and let the public interests take care of themselves? That is the proposition, and that is the only proposition.

I am not here, as I said before, to ask you to take my word for it. I am going to put in the RECORD the word of the two governors. I am going to ask you to consider that this bill has passed the Senate, I think, unanimously; it was reported unanimously by the Senate Committee on Military Affairs, was reported unanimously by your own Committee on Military Affairs, was reported and, so far as I know, unanimously, by the Committee on Rules; has been indorsed by every important civic body in the city of New York, and has back of it the authority of the two governors and the two legislatures of the States of New Jersey and New York, irrespective of party. Are you simply on the statement of my colleague from New York who, as usual, offers no argument of facts but only suspicions, going to refuse to accept the word of the authorities which I submit to you?

Mr. Chairman, at this point I desire to insert in the RECORD a letter addressed to the chairman of Committee on Rules by the Governor of the State of New York, a letter addressed to me by the Governor of the State of New York, and a telegram received by me from the secretary to the Governor of New Jersey.

The letters and telegrams follow:

STATE OF NEW YORK, EXECUTIVE CHAMBER,
Albany, May 5, 1924.

Hon. BERTRAND H. SNELL,
Chairman Committee on Rules,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Under date of August the 10th the Governor of New Jersey and I wrote the Secretary of War urging upon his attention the importance of turning over to the Port of New York Authority the Hoboken Shore Line Railroad, the stock of which he now holds as Secretary of War.

Accompanying this letter is a copy of our communication to the Secretary, from which you will observe that we are both strongly of the opinion that this short line of railroad should be turned over to the port authority in order to permit at the earliest opportunity the consummation of the comprehensive plan for the development of the port, approved by the two States and the Congress of the United States.

In order to permit the Secretary of War to dispose of this road to the port authority there was introduced in the Senate (Senator WADSWORTH) S. 2287 and in the House (Congressman MILLS) H. R. 7014. I understand that both of these bills have been reported favorably by the Senate and House Military Affairs Committees, but that they can not come up for early consideration unless a special rule is adopted by your honorable committee putting it upon the calendar for a certain day when it may be considered by the House.

It is in the public interest that this bill should be promptly passed, in order that the plans of the port authority may be promptly effectuated. I therefore strongly urge upon your consideration the necessity of passing the rule which will enable this bill, H. R. 7014, as reported by the Committee on Military Affairs, to come up for early consideration in the House.

Sincerely yours, ALFRED E. SMITH.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, January 31, 1925.

Hon. OGDEN L. MILLS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I am inclosing herewith a letter from the Secretary of War in relation to the so-called Hoboken Shore Line, and I regret to say that the Secretary of War is of the opinion that Congress will not enact legislation directing him to accept the bonds of the port authority in payment for this railroad.

The investigations made at great cost to the States of New York and New Jersey by the so-called bistate commission, and subsequent studies by the port authority, clearly indicate what happened to the port of New York as a result of leaving development entirely in private hands. It is regrettable that when the two States, acting through an agency of their own, seek to promote the commerce of the port by a comprehensive plan to coordinate and bring up to date all of its terminal facilities, we should at this time be faced by an unwillingness on the part of Congress to assist the agency of the two States in carrying out a plan which had the approval of Congress itself. The Hoboken Shore Line is an important part of that comprehensive plan; that it should fall back to private ownership is unthinkable if the two States are to carry out in full the purposes for which the port authority was erected.

In the interest of the port, for the coordination of port facilities and for the promotion of the supremacy of the port of New York, I very earnestly hope that you will be successful in securing the necessary legislation required to bring this property under public control for public use and public benefit.

Sincerely yours, ALFRED E. SMITH.

NEWARK, N. J., *January 31, 1925.*

Hon. OGDEN L. MILL, M. C.,
Washington, D. C.:

Governor Silzer receives word from Secretary of War stating that no legislation as yet authorizing port authority to take over Hoboken Shore Line Railroad. Governor trusts that you will urge the passage of necessary legislation in Congress as outlined in bill introduced at last session.

FREDERICK M. P. PEARSE,
Secretary to the Governor.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired.

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. SNELL. I hope the gentleman will withhold that for the present.

Mr. MOREHEAD. Mr. Chairman, I make the point of order there is not a quorum here.

Mr. WAINWRIGHT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill S. 2287 had come to no resolution thereon.

DECISION OF THE INTERSTATE COMMERCE COMMISSION

Mr. HILL of Maryland. Mr. Speaker, the Interstate Commerce Commission has just rendered a decision which has a very important bearing on the bill H. R. 11704, and I ask permission to revise and extend my remarks on the decision and on that bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILL of Maryland. On January 16, 1925, there was introduced in the House a bill (H. R. 11704) entitled:

To promote the flow of foreign commerce through all ports of the United States and to prevent the maintenance of port differentials and other unwarranted handicaps.

No bill could have a more plausible title than this measure, which was introduced both in the House and the Senate and which is known as the Butler-Garber bill. This bill, however, although purporting to create equality, was and is intended to do away with equality and to create an artificial alleged equality, contrary alike to nature and to the invariable decisions of the Interstate Commerce Commission extending over a period of 40 years. Congress many years ago wisely created the Interstate Commerce Commission for the purpose of handling the intricate matters of freight rates and differentials, but the above legislation proposed and still proposes to substitute for the Interstate Commerce Commission the Congress itself as a rate-making body. In other words, the Butler-Garber bill proposes that Congress itself shall make freight rates and not the Interstate Commerce Commission, to which the Congress had wisely delegated this intricate duty.

We have been discussing all afternoon the relation of the Federal Government to commerce, when we have had under consideration the sale to the Port of New York Authority of the Hoboken Manufacturers' Railroad, and a number of interesting statements have been made concerning commerce. I think, therefore, that this is an appropriate time for certain remarks in connection with the Butler-Garber bill, especially since the Interstate Commerce Commission has to-day rendered a decision that should end any serious attempts to seek enactment of the Butler-Garber bill.

The proponents, however, of this measure may, and probably will, continue their advocacy of this measure and will try to obtain by legislation what they have to-day, for the seventh time, been denied by the tribunal that Congress created to handle matters of this sort. I therefore deem it advisable to call special attention of all the Members of Congress, and especially of those whose local communities are especially affected, to the decision to-day handed down by the Interstate Commerce Commission in Case No. 13548, Maritime Association of Boston Chamber of Commerce et al. *v.* Ann Arbor Railroad Co. et al.

This decision makes final judicial disposal of cases instituted May 23, 1923, and should dispose also of the Butler-Garber bill. The decision is so important that I would like to print it in full in my remarks, but it begins at page 539 of the current interstate commerce report and terminates at page 592, and is therefore too long to be printed here in full. I will, however, give enough of the decision to advise in a measure those interested in interstate commerce of its findings of law and fact, since the decision is virtually an adverse report, after full consideration of the Butler-Garber bill.

The complaints of the three complainants are the same, and were filed February 28, 1922, against 67 eastern carriers and the Illinois Central as defendants. In the words of the commission (page 540), all three complaints allege that—

the all-rail, lake-and-rail, and rail-lake-and-rail class and commodity rates on export and import traffic between Boston and differential territory are unjust, unreasonable, unduly prejudicial, and unduly preferential as compared with similar rates to and from the following ports: Montreal, St. John, and Halifax, in the Dominion of Canada; Philadelphia, Pa.; Baltimore, Md.; Norfolk and Newport News, Va.; Wilmington, N. C.; Charleston, S. C.; Savannah, Ga.; Jacksonville and Pensacola, Fla.; Mobile, Ala.; and New Orleans, La. The allegations as to undue preference of Philadelphia and Baltimore are made in the main complaint, in which complainants also assail the relationship between the export rates on ex-lake grain and its products other than flour from Buffalo, N. Y., to Boston and the like rates to Philadelphia and Baltimore. The allegations as to the Canadian ports are made in sub No. 1 and as to the south Atlantic and Gulf ports in sub No. 2, which is confined to export rates. We are asked to establish rates not in excess of those contemporaneously maintained to and from the several ports named in the respective complaints.

By the term "differential territory," used above, is meant west of the Buffalo-Pittsburgh line, on and north of the Ohio River, on and east of the Mississippi River, and south of a line drawn through from Dubuque, Iowa; Chicago, Ill.; and south of the Great Lakes.

Freight rates in a large territory and affecting many inland as well as coast cities are therefore made by to-day's decision, and it is precisely to-day's decision that is meant to be recalled and revoked by the Butler-Garber bill. It is therefore necessary to examine the exact terms of this measure at this point. H. R. 11704 is as follows:

Be it enacted, etc., That it is hereby declared to be the policy of Congress to promote, encourage, and develop ports and port facilities and to coordinate rail and water transportation; to insure the free flow of the Nation's foreign commerce through the several ports of the United States without discrimination, to the end that reasonable development of the said ports shall not be handicapped by unwarranted differences in transportation rates and charges, and to provide as many routes as practicable for the movement of the Nation's export and import commerce.

SEC. 2. On and after June 1, 1925, it shall be the duty of common carriers by railroad to establish and maintain for the transportation between United States ports on the Atlantic Ocean, the Pacific Ocean, and the Gulf of Mexico, respectively, of all property exported to or imported from any nonadjacent foreign country, rates that shall be the same as between ports on the same seaboard upon the respective classes or kinds of property: *Provided*, That the Interstate Commerce Commission may define the territory tributary to any port or group of ports from and to which the rates and charges applicable to such export and import traffic may be lower than the corresponding rates and charges to and from other port or ports on the same seaboard.

On and after June 1, 1925, it shall be unlawful for any common carrier by railroad to maintain or apply to or from any port in the United States from and to nontributary territory any rate or charge for the transportation of property for export to or imported from a foreign country not adjacent to the United States which is higher than the corresponding rate contemporaneously maintained to or from any other port on the same seaboard, or to prefer any port by the maintenance of port differentials or other differences in rates.

It is hereby made the duty of common carriers by water in foreign commerce, other than tramp vessels, to maintain and apply for the transportation of property imported into or exported from the United States to or from foreign countries not adjacent thereto rates that shall be the same for transportation from and to all United States ports on the Atlantic seaboard, the Pacific seaboard, and the Gulf of Mexico, respectively.

On and after June 1, 1925, it shall be unlawful for any common carrier by water in foreign commerce to maintain or apply to or from any port of the United States to or from foreign countries not adjacent thereto any rate applicable to the transportation of property imported into or exported from the United States that shall be higher than the corresponding rate contemporaneously maintained to or from any other port on the same seaboard, or to prefer any port by the maintenance of port differentials or other differences in rates.

SEC. 3. Any steamship line or vessel serving any port of the United States shall be permitted, in its discretion, to establish and maintain to and from such port ocean rates as low as those maintained by any other steamship line or vessel between any other port in the United States and the same foreign port, and any contract or agreement to the contrary is hereby declared to be unlawful.

The latter part of the above bill deals with ocean rates, while the first part deals with what are known as port differentials. Although the first two sections are couched in the strain of the Declaration of Independence, they mean just one thing, and that is the complaint contained in the above extract from to-day's decision of the Interstate Commerce Commission. The Butler-Garber bill is merely the complaint of the Maritime Association of Boston Chamber of Commerce heavily camouflaged. I shall not attempt to go fully into the decision of the Interstate Commerce Commission, but I call your attention especially to the fact that as to land-freight rates its decision is coextensive with the Butler-Garber bill.

The arguments which would be advanced in support of the Butler-Garber bill are well summarized by the Interstate Commerce Commission, at page 544, as follows:

Complainants say that the port differentials had their origin in an endeavor to compose rate wars and controversies between the carriers under bygone conditions, are arbitrary, were not intended to reflect, and do not reflect transportation conditions. A detailed history is given in Appendix B. Complainants assert that arbiters in the past, and we ourselves, have recognized these differentials as temporary expedients to be modified or abolished when they should prejudicially affect the natural flow of commerce to the ports. They contend that, notwithstanding efforts of those interested in the welfare of Boston to maintain and develop it as a port, the differentials have been a bar to its development, have reduced export and import traffic between differential territory and Boston almost to the vanishing point, and have prevented the securing of bulk or dead-weight cargo, such as grain and grain products, the lack of which accounts for the absence of satisfactory trans-Atlantic steamship service from and to Boston.

Prior to the entry of the United States Shipping Board Emergency Fleet Corporation into ocean carriage the effect of the differentials is said to have been offset and nullified by shrinkage of ocean rates in corresponding amounts. Thus the rates between inland points of the United States and foreign ports were equalized through the north Atlantic ports. Upon this record the policy of the United States Shipping Board is to make the ocean rates to and from the north Atlantic ports uniform. This equalization of the ocean rates to and from the ports complainants offer as a reason for like equalization of the rail rates to and from the same ports.

In 1910 commercial bodies of Boston, Philadelphia, Baltimore, and New York, together with interested carriers, applied to us for advice as to the adjustment of import rates from the several ports. We found that temporarily import rates from Boston, Philadelphia, and Baltimore should be lower than from New York. (In the Matter of import rates, 24 I. C. C. 78; ibid. 678; I. C. C. 245.) Shortly thereafter the Chamber of Commerce of the State of New York filed with us a complaint alleging that the import and export rates from and to New York were unreasonable and unjustly discriminatory. In Chamber of Commerce of New York *v.* New York Central & Hudson River Railroad Co. (24 I. C. C. 55), as modified by the supplemental report (24 I. C. C. 674), we found that the import and export rates from and to Boston should not be lower than the corresponding New York rates, and that the differentials of Philadelphia and Baltimore under New York should not exceed amounts which were the same as the differentials now in effect, with the exception that on ex-lake grain the maximum differentials were fixed at 0.2 cent per bushel of barley or oats and 0.3 cent per bushel of wheat, corn, or rye.

Complainants take the view that we did not approve the differentials, but merely found them not unduly prejudicial under the law then in force and the circumstances and conditions then existing. They contend that there have since been material changes both in the law and in the circumstances and conditions. For changes in the law, they refer to the power granted us in 1920 to establish minimum rates, the provision that the rate structure shall be so adjusted as to enable railroads to earn a fair return upon their property held for and used in the service of transportation, the provision for consolidation of the railroads into a limited number of systems, and the policy of Congress as expressed in section 500 of the transportation act, 1920, to foster and preserve in full vigor both rail and water transportation. Their thought seems to be that the railroads are now regarded by the law not only as independent entities but also as parts of a national transportation system, and that by the power to fix minimum rates we are now able to control relationships of rates which could not previously be reached under the undue preference and prejudice provisions. They also refer to the merchant marine act, 1920, providing for the development of a national merchant marine and declaring the policy of Congress to promote, encourage, and develop water transportation in connection with the commerce of the United States. For changes in circumstances and conditions, they refer particularly to the policy of the United States Shipping Board to equalize the ocean rates to and from the north Atlantic ports, the decline in recent years of the commerce of Boston, the increase in the terminal facilities at Boston, the equalization by the Director General of Railroads of export class rates from portions of differential territory to the south Atlantic and Gulf ports, and the changes in volume and movement of grain and grain products.

It will be noted, therefore, that the water-transportation rates dealt with by the Butler-Garber bill were fully discussed before the Interstate Commerce Commission in connection with the land rates. After full hearings and argument the commission decided—

Upon the issues presented and the record made we find that the rates assailed are not unjust, unreasonable, or unduly prejudicial to the New England ports or unduly preferential of the other ports, as alleged.

This decision should dispose of the Butler-Garber bill as well as of the three cases before the Interstate Commerce Commission. The matter, however, is so important to differential territory, that is, to all that territory west of the Buffalo-Pittsburgh line, on and north of the Ohio River, on and east of the Mississippi River, and south of a line drawn through from Dubuque, Iowa; Chicago, Ill.; and south of the Great Lakes, that I call special attention of the Representatives of this territory to the decision. It is also of vital interest to those of us who represent the States in which are located Philadelphia, Pa.; Baltimore, Md.; Camden and Trenton, N. J.; Wilmington, Del.; Norfolk and Newport News, Va.; Wilmington, N. C.; Charleston, S. C.; Savannah, Ga.; Jacksonville and Pensacola, Fla.; Mobile, Ala.; New Orleans, La.; and many other places. I call especial attention, therefore, to to-day's decision in connection with the Butler-Garber bill. [Applause.]

WORLD COURT

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by printing in the RECORD a brief resolution from the heads of eight women's clubs in Montana regarding the World Court.

The SPEAKER. The gentleman from Montana asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. LEAVITT. Mr. Speaker, under leave granted to me to extend my remarks I submit the following:

GREAT FALLS, MONT., *February 5, 1925.*

Congressman SCOTT LEAVITT,
Washington, D. C.

DEAR SIR: The following organizations having discussed the present situation of the United States in regard to the World Court have adopted the following resolution and desire it to be brought to your attention:

Whereas we believe that by joining with the other nations of the world in the World Court the United States should take its rightful place in establishing the outlawry of war and the settlement of international disputes by arbitration; be it therefore

Resolved, That the Committee on Foreign Relations of the United States Senate put before the full Senate for a vote as soon as possible the participation of the United States in the World Court on the Harding-Hughes plan.

Mary G. Mitchell, chairman League Women Voters; Jessie E. Patton, president of City Federation; Jennie Douglas, oracle Primrose Camp, R. M. A.; Reola Appel, secretary Am. As. of U. Women; Faye W. Miller, Woman's Club; Eva Walker, Woman's Christian Temperance Union; Emeline Wolfe, Delphian Society; Gracia C. Beard, president Travel Club.

THE LATE REPRESENTATIVE CANTRILL

Mr. MORRIS. Mr. Speaker, I ask unanimous consent that Sunday, March 1, be set aside for memorial services on the life, character, and public services of the late JAMES C. CANTRILL, a Representative from the State of Kentucky.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that Sunday, March 1, be set aside for memorial exercises for the late Mr. CANTRILL, of Kentucky. Is there objection?

There was no objection.

ENROLLED BILLS SIGNED

Mr. ROSENBLOOM from the Committee on Enrolled Bills reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 9494. An act to enable the Board of Supervisors of Los Angeles County to maintain public camp grounds within the Angeles National Forest; and

H. R. 10287. An act authorizing preliminary examination and survey of the Caloosahatchee River in Florida with a view to the control of floods.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to—

Mr. WURZBACH, for one week, on account of illness.

Mr. MAPES (at the request of Mr. CRAMTON), for the day, on account of illness.

SPEAKER PRO TEMPORE SUNDAY

The SPEAKER. The Chair designates to preside at the session of the House to-morrow, the gentleman from Massachusetts, Mr. TREADWAY.

ADJOURNMENT

Mr. SNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House, in accordance with its order previously made, adjourned to meet on Sunday, February 15, 1925, at 2 o'clock p. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. STEPHENS: Committee on Naval Affairs. S. 350. An act to authorize the transfer of surplus books from the Navy Department to the Interior Department; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House on the state of the Union.

Mr. WINSLOW: Committee on Interstate and Foreign Commerce. H. J. Res. 332. A joint resolution to authorize a survey of the St. Lawrence River, and the preparation of plans and estimates, as recommended by the International Joint Commission; with amendments (Rept. No. 1495). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. STEPHENS: Committee on Naval Affairs. S. 1809. An act for the relief of Emelus S. Tozier; without amendment (Rept. No. 1492). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. R. 11847. A bill for the relief of Herbert T. James; with an amendment (Rept. No. 1493). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LANGLEY: A bill (H. R. 12296) to authorize the removal of the gates and gate posts at the head of West Executive Avenue, in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. OLDFIELD: A bill (H. R. 12297) granting the consent of Congress to the county of Jackson, Ark., to construct, maintain, and operate a bridge across the White River, at or near the city of Newport, in the county of Jackson, in the State of Arkansas; to the Committee on Interstate and Foreign Commerce.

By Mr. CABLE: A bill (H. R. 12298) providing for the purchase of a site and the erection of a public building thereon at Lima, Ohio, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. HOWARD of Oklahoma: A bill (H. R. 12299) to amend an act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States"; to the Committee on Indian Affairs.

By Mr. GREEN: A bill (H. R. 12300) to amend section 281 of the revenue act of 1924; to the Committee on Ways and Means.

By Mr. WILSON of Indiana: A bill (H. R. 12301) to extend the time for constructing a bridge across the Ohio River between Vanderburg County, Ind., and Henderson County, Ky.; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIHLMAN: Joint resolution (H. J. Res. 355) providing for the appointment of a select committee of seven Members of the House who are Members of the Sixty-eighth Congress and who have been elected to the Sixty-ninth Congress to investigate the oil industry of the United States, and for other purposes; to the Committee on Rules.

By Mr. CLANCY: Resolution (H. Res. 441) for the consideration of H. J. Res. 336, to provide for the expenses of the delegates of the United States to the Pan American Congress of Highways; to the Committee on Rules.

By the SPEAKER (by request): Memorial of the Legislature of the State of Oregon, favoring S. 3779, to provide for aided and directed settlement on Government land in irrigation projects; to the Committee on Irrigation and Reclamation.

Also (by request), memorial of the Legislature of the State of Indiana, requesting the location of the Federal Industrial Farm for Women at Delphi, Ind.; to the Committee on the Judiciary.

By Mr. COLTON: Memorial of the Legislature of the State of Utah, memorializing Congress to pass the Pittman bill relating to the purchase of 14,437,000 ounces of American produced silver at $1 per ounce; to the Committee on Coinage, Weights, and Measures.

By Mr. McLAUGHLIN of Nebraska: Memorial of the Legislature of the State of Nebraska, petitioning the Congress of the United States to provide for a survey of the Missouri River and for development of the St. Lawrence waterway; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOWELL: A bill (H. R. 12302) granting an increase of pension to Delilah Shepherd; to the Committee on Invalid Pensions.

By Mr. FREDERICKS: A bill (H. R. 12303) for the relief of Harold Edward Barden; to the Committee on Naval Affairs.

By Mr. HERSEY: A bill (H. R. 12304) granting an increase of pension to Georgie A. Fifield; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 12305) granting an increase of pension to Mary J. Beamer; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3788. By the SPEAKER (by request): Petition of the Citizens' Association of Takoma, D. C., favoring the early enactment into law of Senate bill 3765; to the Committee on the District of Columbia.

3789. By Mr. ANTHONY: Petition of citizens of Topeka, Kans., protesting the enactment into law of Senate bill 3218, or any other religious legislation; to the Committee on the District of Columbia.

3790. By Mr. COLTON: Petition of Utah Mission of Seventh Day Adventist, Ogden, Utah, opposing the passage of Senate bill 3218, the compulsory Sunday observance law; to the Committee on the District of Columbia.

3791. By Mr. DICKINSON of Missouri: Petition of 106 petitioners in Henry County, Mo., urging the passage of the Sterling-Reed bill, known as House bill 3293 and Senate bill 1334; to the Committee on Education.

3792. By Mr. HADLEY: Petition of residents of Skagit County, Wash., protesting against the passage of Senate bill 3218; to the Committee on the District of Columbia.

3793. By Mr. HICKEY: Petition of Miss Frances P. Goodwyn, 301½ State Street, La Porte, Ind., signed by citizens of La Porte, Ind., protesting against the Sunday observance bill; to the Committee on the District of Columbia.

3794. By Mr. HUDSON: Petition of the Young Woman's Christian Association of Lansing, Mich., favoring the immediate entrance of the United States into the World Court with the Harding-Hughes reservations; to the Committee on Foreign Affairs.

3795. By Mr. KELLY: Petition of Port Vue (Pa.) School Board, asking final action on postal pay bill; to the Committee on the Post Office and Post Roads.

3796. By Mr. KETCHAM: Petition of citizens of Bangor, Mich., protesting against Senate bill 3218, a bill providing for compulsory Sunday observance; to the Committee on the District of Columbia.

3797. By Mr. KVALE: Petition of Agnes E. Huseth, Mrs. O. Haugen, Harold Rey, and others of Barrett, Minn., urging enactment of the so-called deportation bill by the Congress of the United States at this session; to the Committee on Immigration and Naturalization.

3798. By Mr. MOREHEAD: Petition of citizens of College View and Lincoln, Nebr., in opposition to Senate bill 3218, compulsory Sunday observance bill; to the Committee on the District of Columbia.

3799. By Mr. MORROW: Petition of Mrs. Maria R. O. de Garcia, of East Las Vegas, N. Mex., in favor of legislation

in behalf of veterans, widows, and orphan children of Indian wars; to the Committee on Pensions.

3800. By Mr. NEWTON of Minnesota: Petition on behalf of sundry citizens of Minneapolis, protesting against the compulsory Sunday observance bill, S. 3218, and all other similar legislation; to the Committee on the District of Columbia.

3801. By Mr. SWING: Petition of citizens of San Bernardino County and Elsinore, Calif., protesting against compulsory Sunday observance laws; to the Committee on the District of Columbia.

HOUSE OF REPRESENTATIVES

SUNDAY, *February 15, 1925*

The House met at 2 o'clock p. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God—our Heavenly Father, Thou has been our dwelling place in all generations, therefore we would close the outer doors of our beings and rest in the quiet of the inner chamber for a moment. By this silent effort we would renew our vows, declare our Christian faith, and ask Thee to direct the issues of our lives. Give us the trust that lifts skyward and sees beyond the sky line. We thank Thee that there is nothing in life, nothing in death, and nothing beyond the grave that is able to separate us from the Father and His love.

Bless unto us the memories of those who have left us, and may the service that they rendered to our Country abide while time passes by. Do Thou give unto us the faith and the courage to break through earth's cares, earth's burdens, and earth's sorrows, and wait patiently, work industriously, and rest sweetly until the dawning of the perfect day. Amen.

The SPEAKER. Without objection the reading of the Journal of the proceedings of yesterday will be deferred until to-morrow.

There was no objection.

MEMORIAL EXERCISES FOR THE LATE SENATOR LODGE, SENATOR BRANDEGEE, AND SENATOR COLT

The SPEAKER. The Clerk will read the special order for to-day.

The Clerk read as follows:

On motion of Mr. TREADWAY, Mr. TILSON, and Mr. ALDRICH, by unanimous consent—

Ordered, That Sunday, February 15, 1925, be set apart for memorial addresses on the life, character, and public services of the Hon. HENRY CABOT LODGE, late a Senator from the State of Massachusetts, the Hon. FRANK B. BRANDEGEE, late a Senator from the State of Connecticut, and the Hon. LEBARON B. COLT, late a Senator from the State of Rhode Island.

Mr. TREADWAY. Mr. Speaker, I offer the following resolution which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 442

Resolved, That the business of the House be now suspended that opportunity may be given for tributes to the memory of Hon. HENRY CABOT LODGE, late a Senator from the State of Massachusetts, Hon. FRANK B. BRANDEGEE, late a Senator from the State of Connecticut, and the Hon. LEBARON B. COLT, late a Senator from the State of Rhode Island.

Resolved, That as a particular mark of respect to the memory of the deceased, and in recognition of their distinguished public careers, the House at the conclusion of these exercises shall stand adjourned.

Resolved, That the Clerk communicate these resolutions to the Senate.

Resolved, That the Clerk send copies of these resolutions to the families of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. TREADWAY. Mr. Speaker, it is only within a few weeks that the Senate of the United States paid deserved tribute through the eulogies of several of its Members to the memory of one of their former colleagues, HENRY CABOT LODGE of Massachusetts.

The addresses delivered at that time were equally keen in their praise of Senator LODGE on whichever side of the political aisle the seats of the speakers were located. For 31 years he had been a member of that body. During that entire time he was always prominent, always forceful, always expressive of his opinions on great public questions of the day.

It is not of that service to the State of Massachusetts and to the Nation that I wish to speak to-day—others are more competent to do that—but of a certain personal side of the life and character of this distinguished statesman.

My first recollection of Mr. LODGE was as a visitor to Washington when quite a young man. He was then a member of this body. Mr. Reed was Speaker and I listened with rapt attention to an address by Mr. LODGE on a naval appropriation bill. His clear voice rang out in resilient tones throughout the Chamber and his speech made a marked impression upon me.

It would be practically impossible for any man in any way connected with Massachusetts affairs, not to feel a personal acquaintance with Mr. LODGE during the last third of a century. Although meeting him frequently at political gatherings, my first actual contact with him in a somewhat intimate way was when he accepted an invitation to address the Massachusetts Legislature upon the life of Abraham Lincoln.

It was my privilege to act as the presiding officer of the joint convention. The address of Mr. LODGE showed a most careful study of the life and character of the Great Emancipator and was received most cordially by our membership.

Perhaps the most striking occasion of association with him was when he made a most remarkable appearance before the Legislature of Massachusetts of 1911 in Symphony Hall, Boston, on the eve of the balloting for his reelection. Clouds had gathered over his political horizon, and as so frequently happens in a prominent and lengthy public service, he had incurred the enmity of certain influential people in our State.

His friends were solicitous regarding the outcome of that address, as a small group of the legislature represented those in opposition to Mr. LODGE's reelection.

The legislature occupied front seats in the hall, which was the largest auditorium in the city of Boston, the remainder of the building being filled to the roof with citizens to hear what might prove an address of great moment to the people of our Commonwealth.

No music, no stage setting, no presiding officer. At the appointed hour this slight figure, slight in physique but large in mentality, came upon the stage—unaccompanied and unheralded. We usually are pleased to have honors bestowed upon friends, but a very different sensation possessed me that night. It was one of regret and sadness that a man who had given his all to our Commonwealth should feel compelled to publicly describe and defend the course he had followed in carrying out his trust.

Deliberately and plainly he described the positions he had taken upon questions before Congress during his period of service. He never spoke with deeper feeling or with less oratorical display. A great ovation was deservedly given him at the close of his address, and shortly thereafter the account of his stewardship was approved by the accredited representatives of the people of Massachusetts assembled in the general court.

This meeting was unique. Here was a great man accounting for the way in which he had filled a great office. But he also realized that his greatness was on trial. It seemed to me as though he was being persecuted for the great services he had performed. He was pleading his case almost as a lawyer would defend a client. The reverse should have been the case. He should have been receiving the praise of the State for the services he had rendered to her and to the Nation.

Excerpts from that Symphony Hall address are particularly appropriate here:

Two things only will I say: My public service is all public. I have never had a private interest which in the remotest way conflicted with or affected my performance of my public duties.

I have no secrets. I have nothing to conceal. No one is so acutely conscious as I of the mistakes I have made; no one realizes as I realize how often I have failed to reach in full completion the ideals I have sought to attain. But the record is there for the world to see. There is not a page upon which the people of Massachusetts are not welcome to look; there is not a line that I am afraid or ashamed to have my children and my grandchildren read when I am gone.

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I was born and bred in Massachusetts. I love every inch of the old State, from the rocks of Essex and the glittering sands of the Cape to the fair valley of the Connecticut and the wooded Berkshire Hills.

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